

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : Baltimore County File

DATE: July 20, 1973

FROM : Russell T. Baker, Jr.
Assistant U. S. Attorney

SUBJECT: [REDACTED]

At 2:00 p.m. on Thursday, July 19, 1973, I met with [REDACTED] in my office. He advised me that his client was willing to explore the possibilities that we had ~~xxxx~~ outlined in our discussion earlier this week. He has only had a preliminary opportunity to debrief his client and would appreciate a further opportunity to debrief him on these matters. I delivered to him our negotiation letter, a copy of which he signed in my presence. He indicated to me that his client would sign the original of the letter as soon as possible and that he would return the signed document to me. We agreed to proceed with some preliminary disclosures at this time even though his client had not yet signed the letter.

[REDACTED] was associated with [REDACTED]. [REDACTED] apparently had a major drinking problem and is no longer with the firm. Indeed, [REDACTED] does not even know where he is now. He is in contact with [REDACTED] and it is possible that [REDACTED] may end up representing [REDACTED] in this matter. Neither [REDACTED] nor [REDACTED] had any direct contact with Hammerman but were contemporaneously advised of the situation and apparently participated in the accumulation of cash by the firm. Apparently the firm kept a supply of cash available for such payments as a regular matter and the payments made to Hammerman came out of this supply. [REDACTED] disclosed these matters to me even after he had read and signed the letter.

[REDACTED] receive a substantial amount of state work, apparently in excess of \$200,000 a year in fees. [REDACTED] had made a political contribution to Agnew's 1966 election campaign, perhaps through Hammerman. He therefore expected to get some state business and knew that contributions were necessary. Sometime after Agnew took office, [REDACTED] received a telephone call from Hammerman who asked [REDACTED] to meet with Hammerman in Hammerman's office. This apparently took place around the end of 1967. [REDACTED] subsequently met with Hammerman in Hammerman's office. Hammerman advised [REDACTED] that his firm was in line for state work and mentioned in particular the upcoming work that was to be done to [REDACTED]. Hammerman asked [REDACTED] if he wanted a piece of the action. When [REDACTED] indicated that he was interested, Hammerman advised him that a "commission" of \$5,000 would be necessary in order to assure that he got the work. [REDACTED] understood this to be a direct solicitation of an illegal payment and not a political contribution. There was no discussion of tickets or any discussion of political contribution. Hammerman told him that the money was to be paid in cash and that there was to be no record of the payment. [REDACTED] knew that Hammerman was close to Agnew. He paid the \$5,000 and after going through the necessary procedural work, received the contract. Cohen believes that the total fees on the project may have been as great as \$150,000. This may be the only occasion upon which [REDACTED] paid money to Hammerman. [REDACTED] would like a further opportunity to debrief his client on this point.

-2-

Cohen also admits to making payments in Pennsylvania to Pennsylvania officials for work there. These payments may have ceased sometime a couple of years ago but Bill did not have an opportunity to get into this. He would also like an opportunity to debrief his client on other areas within the state of Maryland to see if he made payments there.

Apparently [REDACTED] has some records.

THE LESTER MATZ-SPIRO AGNEW RELATIONSHIP

Lester Matz and John C. Childs are the principal executives of Matz, Childs and Associates, Inc., which, since 1970, has been a wholly owned subsidiary of the Walter Kidde Co. Although both men have provided the Government with the information they possess pursuant to our standard negotiation letter, no final agreement has been reached with either man.

Both Matz and Childs have been debriefed by representatives of this office. A substantial amount of work with these men remains to be done, but it is now expected that Lester Matz can and will testify in substance as follows:

Lester Matz and John Childs established their company in Baltimore County in 1956. From 1956 until 1963, they found it extremely difficult to get substantial amounts of public work from Baltimore County. They observed that a relatively small group of engineering firms who were close to the Democratic County Administration received most of the County engineering work. Despite repeated efforts, Matz and Childs simply could not break into this group.

Seeing an opportunity to gain access to the inner circle, Matz welcomed Mr. Agnew's candidacy for Baltimore County Executive in 1962. He believed that a new Republican administration to which he had given political support would offer him an opportunity to receive substantial public work. During Mr. Agnew's 1962 campaign for County Executive, Matz and Childs made a small cash contribution directly to

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Mr. Agnew for his campaign.

Sometime after Mr. Agnew had assumed office as County Executive, Matz was contacted by J. Walter Jones. Matz knew that Jones was close to Mr. Agnew because the three men were already beginning to develop what would later become a close social relationship. Jones told Matz that they were going to make a lot of money under the Agnew administration. Matz was invited to meet with Mr. Agnew and Jones in Jones's office in Towson. At this meeting, although there was no specific discussion about payments for County work, Mr. Agnew told Matz that he had a lot of "confidence" in Jones. Matz understood that to be a clear message that payments were to be made through Jones.

A short time thereafter Jones and Matz met again, and at this meeting Jones advised Matz that cash payments in the amount of 5% would be necessary for the County work that Matz's company would receive. It was Matz's understanding that the money was to go to Mr. Agnew. Matz and Childs were not unhappy about this arrangement. They were delighted to be in that small group of engineers who were close to the Agnew administration and who would receive most of the substantial County work. The company could afford the 5% payments, and both men believed that the payments would make a substantial difference in the amount of work that their company would receive.

Thereafter, as the company received County work, Matz would deliver to Jones the required 5% cash payments. The money was almost always paid in advance. (That is, before fees were actually received

by the company from the County). The cash was placed by Matz in envelopes that he delivered to Jones in the latter's office in Towson.

During these years, Matz and Childs generated the necessary cash by increasing the bonuses of their senior employees and requiring them to return the increases in cash. To a small extent they also took some money out of the petty cash fund in the company to use for the payoffs. Matz does not recall any occasion upon which these payments were described or referred to as "political contributions."

Although his County work increased substantially, Matz remained unsatisfied and believed that his payments entitled him to an even larger share. He expressed his dissatisfaction to Jones who arranged a meeting between Matz and Mr. Agnew at the latter's house. At this meeting, Matz complained to Jones and Mr. Agnew about the amount of County work which he was receiving. Both Mr. Agnew and Jones promised to help the company, and Mr. Agnew told Matz that he would speak to the appointed county officials who were nominally responsible for the selection of engineering firms for County work.

During Mr. Agnew's 1966 gubernatorial campaign, Matz and Childs contributed to his campaign several thousand dollars in cash. In addition, Lester Matz raised other campaign funds for Mr. Agnew. Under Governor Tawes's administration, the Matz and Childs company had not received any substantial amount of state work. Matz and

Childs both realized that their firm had not been among the small group of engineering firms which were politically close to the Tawes administration and which had received most of the State work. They were both excited about Mr. Agnew's candidacy because they believed that if he were to be elected, their company would begin to receive substantial amounts of State work.

These hopes were not fulfilled during the first months of Mr. Agnew's tenure as Governor. The Tawes administration had awarded almost all of the prospective contracts to its friends shortly before it left office in January, 1967. Therefore, there was very little engineering work to be awarded to anyone during the first months of the Agnew administration. Matz complained to Jerome B. Wolff, an old friend, and the man appointed by Governor Agnew to be the Chairman-Director of the Maryland State Roads Commission. Wolff promised Matz that his company would receive contracts on upcoming projects.

Several months after the Agnew administration took office, the State Roads Commission began to generate new contracts, and the Matz and Childs Company began to receive substantial amounts of State work. During this period, Jones attempted on several occasions to perpetuate the arrangements that he had had with Matz in Baltimore County. Matz, however, was reluctant for several reasons to continue this arrangement. He realized that by paying through Jones (or any other middleman), the credit to which the payments entitled him would be somewhat diluted; furthermore, he suspected that Jones had been

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keeping some of the money for himself. His personal relationship with Jones had deteriorated somewhat and, since he had retained his close personal relationship with Mr. Agnew, Matz began to think that he could establish with Mr. Agnew a relationship of direct payments. Matz therefore decided not to continue to pay through Jones and told Jones that he would take care of his obligations directly. The amount of work which the company received from the State continued substantially to increase and, on at least one occasion, Matz was asked by Wolff if he was taking care of his obligations with respect to State work. He said yes.

By the summer of 1968, however, Matz had still made no payments in connection with the substantial state work that he was receiving. The amounts involved were too great for him to pay in advance on state work. But he was willing to fulfill his obligations because he wanted to establish himself as someone who could be trusted in order to insure that his company would continue to receive substantial amounts of state work. He assumed that the 5% rule still applied, and he was willing to comply with that standard. Matz also knew that since he had been awarded substantial state work, he was behind in his payments. He also realized that it would be extremely difficult for his company to generate the substantial amounts of cash necessary to meet his obligations if he were to continue to rely exclusively upon the bonus and petty cash systems; the substantial amounts of State business that he had received had outstripped his capacity to generate cash by his usual methods. In particular, he

was concerned that a routine IRS audit would disclose the scheme if he were to continue to use his standard procedures to generate such large sums.

In the summer of 1968, Matz and Childs together calculated that under the 5% standard they already owed approximately \$20,000. The piece of paper upon which they made these calculations is now in the possession of the Government, and chemical tests on the ink that was used have established nothing inconsistent with the authenticity of the document. Matz decided that it would be necessary to go outside of his company to generate the necessary cash. He approached [REDACTED] an old friend who was in the loan business, and told him that he needed \$30,000 in cash, but he did not disclose the reason. He asked for \$30,000 because he realized that within a short period of time he would owe \$10,000 more than the \$20,000 that he intended to pay at that time. Matz suggested to [REDACTED] the following scheme:

The Matz, Childs Company would by corporate check "loan" [REDACTED] \$30,000; [REDACTED] would generate \$30,000 in cash through his company which he would return to Matz; [REDACTED] would repay the "loan" with \$1,700 quarterly checks to the Matz, Childs Company for principle and interest; and Matz would return these "repayments" to [REDACTED] in cash. This scheme was satisfactory to Matz because his regular procedures were adequate to generate \$1,700 in cash on a quarterly basis. [REDACTED] has been interviewed and confirms Matz's recollection of these events. We also have in our possession all relevant [REDACTED] checks).

[redacted] was able to generate \$20,000 in cash almost immediately, and he promised Matz that he would supply him with the additional \$10,000 in cash in the near future. [redacted] delivered \$20,000 in cash to Matz in a manila envelope. Matz recalls that he showed the money to Childs before he delivered it to Mr. Agnew.

Matz called Governor Agnew's office and set up an appointment with the Governor in his Baltimore office. We have not yet been able to determine whether or not any state agency kept logs of visitors to the Governor in those years, and we have not yet been able to locate any executive appointment books for Governor Agnew. We believe, however, that Matz's appointment with Agnew must have occurred shortly after July 16, 1968. On that date, the Matz, Childs Company issued the \$30,000 check to [redacted], and [redacted] and Matz will testify that very shortly thereafter [redacted] returned the \$20,000 in cash to Matz. In addition, Matz recalls that his appointment with Mr. Agnew occurred almost immediately before a well publicized banquet for Mr. Nixon in the Governor's Mansion in Annapolis, a banquet attended by a number of prominent Maryland businessmen including Matz himself.

Matz met with the Governor alone and handed him the manila envelope that contained the \$20,000 in cash. Matz expressed his appreciation for the substantial State work that his company had been receiving and told Agnew that the envelope contained the money that was owed to him in connection with this work. Matz recalls that both he and Agnew were somewhat embarrassed and uncomfortable during

this meeting because this was the first occasion upon which Matz had paid any money directly to Mr. Agnew. Mr. Agnew indicated to Matz that he would use some or all of the money in connection with his support of Mr. Nixon.

Matz made no further payments to Mr. Agnew while the latter was Governor. Matz, however, did make some direct payments to Wolff during this period in connection with corrupt dealings not directly involving Mr. Agnew. He also acted as a middleman for several other businessmen who made direct payments to Wolff as Chairman-Director.

During the 1968 campaign, the Matz, Childs firm contributed something between \$5,000 and \$10,000 to Mr. Agnew's campaign. Present indications are that these were legal political contributions.

Sometime after Mr. Agnew assumed his responsibilities as Vice-President, Matz calculated that he owed him approximately \$10,000 more. He made these calculations on the same piece of paper that he had used in the summer of 1968. The increased obligations arose from the continued State payments to his firm in connection with contracts that had been awarded under the Agnew administration in Annapolis. Matz was willing to fulfill these obligations even though Mr. Agnew had left Annapolis because he did not want to impair his reputation as a man who would meet his obligations and in particular because he wanted to be considered for federal work that he hoped Mr. Agnew could arrange for his company. He therefore set up an appointment with Mr. Agnew in the Vice-President's offices in Washington in

early 1969. It is difficult for Matz to date this meeting. He recalls that it was early in the new administration and EOB logs showed that he met with the Vice-President on March 18, 1969 and April 24, 1969. Matz believes that he met with Mr. Agnew in the Vice-President's temporary offices in the White House itself. He met with the Vice-President alone and gave him approximately \$9,000 or \$10,000 in cash in an envelope which he recalls Mr. Agnew placed in his desk drawer. Matz told Mr. Agnew that the envelope contained money still owed to him in connection with State work. He also told Mr. Agnew that the company would owe more in the future and that he would meet these obligations. He and the Vice-President agreed that they would meet again for that purpose in the future. After this meeting, Matz returned to Baltimore and told Childs that he had just made a payment to the Vice-President. Matz used the final \$10,000 from Berman to make this payment.

Matz made several subsequent payments to the Vice-President in 1969 and 1970, but he is uncertain about both the dates and amounts. He believes that he paid an additional \$5,000 to Mr. Agnew, possibly in two \$2,500 payments. He never completely fulfilled his obligations to Mr. Agnew, however, at least partially because he began to realize that his company would not receive any substantial federal work. Apparently Mr. Agnew did attempt to assist the Matz, Childs Company with respect to a contract in connection with the Washington Metro

System, but the officials in charge of the project were angered by Matz's attempt to use political influence to get work, and Matz did not get the job.

Sometime in 1970, or early 1971, Matz received a telephone call from Jones who advised him that there was an upcoming federal job that the Vice-President would control. This job would generate something on the order of \$100,000 in fees, and Jones advised Matz that a payment would be necessary. This job was the [redacted] and Matz wanted it to go to [redacted]. The job was awarded to [redacted]. He then approached his partner in [redacted] for the purpose of advising him that the job was awarded through Mr. Agnew and that a payment was expected. [redacted] at first balked, but when Matz later told him that he (Matz) had committed them to make a 5% payment to Mr. Agnew, [redacted] finally agreed to contribute \$1,000. Matz arranged an appointment with Mr. Agnew and Jones in the Vice-President's offices in Washington. He then arranged to meet with [redacted] in Washington just before his appointment with the Vice-President. Matz met with [redacted] across the street from the EOB and there received from [redacted] \$1,000 in cash. Matz added \$1,500 in cash and placed the entire sum in an envelope which he took with him to his meeting with Jones and the Vice-President. [redacted] has been interviewed and confirms Matz's recollection of these events. We have the check by which he generated the \$1,000.

Matz met with Jones and the Vice-President and placed the envelope on the Vice-President's desk saying that this was the money for the job. By the time Matz left this meeting, neither Jones nor the Vice-President had removed the envelope from the desk.

EOB logs show that Matz met with the Vice-President on April 20, 1971, and this date corresponds with the date on the check that [REDACTED] cashed to generate his share of the payment. To the extent that we understand the EOB logs, however, they do not confirm that Jones met with the Vice-President on this date. [REDACTED]

[REDACTED] is attempting to obtain a clarification of some of the documents supplied to us by the Secret Service, and we are pursuing this matter.

John C. Childs is expected to testify in substance as follows:

Childs never made any payments to Mr. Agnew, Jones, or Wolff. Nevertheless, he was aware from Matz of these payments and of the means by which the cash was generated, and recalls contemporaneous discussions with Matz about the payments. His own experience in Baltimore County had convinced him that the company would never receive any substantial public work unless they made payments. Under the Agnew administration in Baltimore County, he discussed with Matz the payments to Jones and was involved in the generation of cash by the company. He recalls that during the 1966 election, he and Matz believed that if Mr. Agnew was elected Governor their company would be able to break into the substantial amounts of work awarded by the State Roads Commission. In July of 1968, he assisted Matz in making

the calculations that led to the \$20,000 payment to Mr. Agnew and knew from his conversations with Matz at the time that the money had come from [redacted] and that Matz paid the money to Mr. Agnew shortly before the Nixon banquet in Annapolis. He did not know in advance of Matz's \$10,000 payment to Vice-President Agnew in early 1969, but he recalls that Matz informed him of this payment immediately thereafter. He also recalls that Matz told him at the time of the \$2,500 payment made in connection with the [redacted]

From
THE ATTORNEY GENERAL

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sistant Attorney General, Antitrust-----
sistant Attorney General, Civil-----
sistant Attorney General, Civil Rights-----
sistant Attorney General, Criminal-----
sistant Attorney General, Land & Nat. Resources-----
sistant Attorney General, Legal Counsel-----
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MARKS: 10/1 1. Attorney General

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CHAMBERS OF
WALTER E. HOFFMAN
CHIEF JUDGE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
NORFOLK, VIRGINIA 23510

RECEIVED
OFFICE OF THE
ATTORNEY GENERAL

OCT 1 1973

September 27, 1973

Honorable Elliot L. Richardson
Attorney General of the United States
Main Justice Building
Room 5115
10th and Constitution
Washington, D. C.

George Beall, Esquire
United States Attorney
United States Courthouse
Baltimore, Maryland 21202

Re: Special Investigation of the Current Special
Grand Jury - District of Maryland.

Gentlemen:

As each of you has been previously advised, I have been designated, pursuant to 28 U.S.C. § 292(b) "to hold a district court in the District of Maryland during the period beginning September 3, 1973, and ending December 31, 1973, and for such additional time in advance thereof to prepare for the trial of cases, or thereafter as may be required to complete unfinished business arising out of the special investigation of the current special grand jury." The designation is signed by Chief Judge Clement F. Haynsworth, Jr., of the United States Court of Appeals for the Fourth Circuit, and is dated August 17, 1973.

Upon my return from Europe on August 30, I immediately telephoned Chief Judge Edward S. Northrop of the District of Maryland. I advised him to notify the United States Attorney, Mr. Beall, that I would be available, on reasonable advance notice, to come to Baltimore at any and all times. I did, however, mention several dates to avoid, including the dates hereinafter mentioned. I also suggested that communications with me go through Chief Judge Northrop.

Since August 30 I have been in contact with Judge Northrop by telephone on approximately four occasions. Although he has verbally advised me that the special grand jury

Honorable Elliot L. Richardson
George Beall, Esquire
September 27, 1973
Page Two

has been convening, generally on Thursdays, no official notification has been given to me requesting my presence and I must assume that the Department of Justice has determined that my presence is not required despite the unfortunate publicity which has been given to the grand jury proceedings.

I write to formally notify you that I am now, have been, and will be available to come to Baltimore upon receipt of reasonable advance notice at any time requested, except for the dates of October 4 through October 9. I cannot cancel my prior engagement for October 4, 5, and 6, as this involves a wedding in my family. I could cancel my engagement for October 8 and 9 if it is absolutely necessary.

I know nothing about the facts of any investigative matter being brought to the attention of the special grand jury, but note that the limitation of actions as provided by 18 U.S.C. § 3282 may be of importance if the grand jury proceedings are delayed.

Faithfully yours,

Walter E. Hoffman

Walter E. Hoffman
United States District Judge

cc: Honorable Edward S. Northrop
Chief Judge
United States District Court
Baltimore, Maryland 21202

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UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : Grand Jury Investigation

DATE: July 17, 1973

RSL:AC

Dictated: July 19, 1973

FROM : Ronald S. Liebman

SUBJECT: ALLAN GREEN

Tim Baker and I met today with Brendan Sullivan, an associate in Edward Bennett Williams Washington law firm. Mr. Sullivan had advised Baker in a previous telephone conversation that his office represents Allan Green. At this meeting, Sullivan again advised us that his office represents Allan and Max Green. He informed us that the corporation of which the Greens' are principals is represented by the Baltimore law firm of Weinberg and Green.

Sullivan was advised that we had two matters to discuss. First, he was advised that Allan and Max Green, as well as the corporation, were involved in difficulties with this office for the years 1968, 1969, and possibly 1970. He was also advised that the difficulties were mostly, but not exclusively, criminal tax violations. Second, Sullivan was advised that Allan Green is the subject of an investigation into corrupt activities participated in by him on both the State and Federal level for the years 1969 through 1970.

Sullivan was also informed that no final decisions as to who would be indicted and for what have been made by this office. All of the subjects of the investigation, through their attorneys, are being advised about their status. We are, Baker advised Sullivan, willing to explore whether or not our relationship with people like Green will be a totally adversary one. It was made very clear to Sullivan that we are not offering anything at all at this point in time. If Green is interested in exploring whether or not the relationship between the Government and him will not be a totally adversary one, there are certain procedural steps which must be followed. Baker also advised Sullivan that since Green is not involved alone in these matters we are negotiating with other people. Green, Sullivan was informed, should realize that because of this he does not have a lot of time to agonize over what decision he should make. Baker also advised Sullivan that he would be well advised to inform Green that we are not just fishing with respect to information of corrupt activities performed by his client.

July 17, 1973

Sullivan informed us that it was always possible to negotiate. He requested that we advise him what we are looking for and what our guidelines are. He was advised that we were looking for information concerning corrupt activities by Green at the State level for the years 1967 and 1968. Sullivan requested us to advise him what people Green allegedly conducted these corrupt activities. Baker advised him that some of the people he participated in these corrupt activities with were Governor Agnew, Jerome Wolf, and I. H. Hammerman.

Baker next advised Sullivan that the Government does not and will not buy half a witness. Therefore, if any relationship does develop between the Government and Green, we would want to know about Green's relationship with Dale Anderson, Joe Alton, Hess, Rogers, Mandel, George Lewis, Dave Fisher, and Joe Jacobs. With respect to Alton and Jacobs, Baker advised Sullivan that we were interested in the years 1966 to the present. The name of Bernie Warner in relation to Baltimore City corruption was also given to Sullivan.

Sullivan was advised by Baker that we are interested in Green's personal tax difficulties.

Baker, upon Sullivan's request, advised him of the guidelines which this office will follow with respect to any negotiations which will be conducted. Specifically, he was advised that the guidelines would be formalized in a letter spelling out the terms and conditions under which negotiations would be conducted with this office. He was advised that the letter must be signed by both the client and the attorney. Following the signing of the letter, the attorney would make substantive disclosures to us. Following that, the client himself would meet with us and convey his information to us and make himself subject to cross-examination. He would also provide any documents or other corroborative materials, including the names of corroborative witnesses to us. After these steps have been followed, Baker advised Sullivan that the Government would then be in a position to commit itself to an agreement, if any, with Green. Sullivan was also advised that the letter states that the disclosures given to the Government would not be used either directly or indirectly against the client. Sullivan was also advised that the Government would make no concessions, if any were to be made at all, up front, before the Government knew what we were buying.

July 17, 1973

Sullivan was advised that George Beall was not present at this meeting because his brother works with the Green company and it was Mr. Beall's feeling that, out of an abundance of caution, he would not attend the meeting so as to adversely affect either the investigation or, in any way, embarrass either his brother or the Green corporation.

The sensitive problem of publicity was discussed with Sullivan. He was advised that we have had newspaper reporters sniffing around our office. He was also advised that we do not want publicity at this stage of the investigation. Sullivan was very tactfully but firmly advised that he should stay away from newspaper reporters with respect to the information he had gained during the course of this meeting.

Sullivan asked us in terms that he described as "informally" what we would do for his client if his client would give us substantive information. He was advised by Tim that immunity was possible, depending upon what his client would deliver to the Government. Sullivan asked who in this investigation would decide on whether or not someone would receive immunity and he was told that with respect to Green, the decision would be made by Barney Skolnik, Tim Baker and myself. Baker advised Sullivan that it would be possible for his client to earn transactional immunity.

Sullivan next asked if Max Green would fit within the same sort of negotiation pattern described above and mentioned by us with respect to Allan Green. He advised that this was possible, depending upon the corroborative nature of Max Green's testimony, if any. Baker advised Sullivan that because of the familial relationship between Allan and Max Green, some sort of a mutually acceptable deal could be struck. Sullivan next inquired as to the possible negotiated status that the corporation could be placed in and he was advised that the range of possible relationships went from pleading to a criminal offense all the way to being wrapped up in a total deal.

Baker advised Sullivan that at an appropriate point in negotiations, if any negotiation should ensue, Sullivan, or whichever attorney handles this matter for Green, would be told "how it looks".

With respect to the time table and the necessity for quick action, Sullivan was advised that not everyone gets immunity and that time is a factor re: who cooperates; who comes in first and with what.

The meeting concluded by Sullivan advising us that he would talk to his client and contact us after doing this.

Attached hereto are the handwritten notes I took at this meeting.

cc: Ronald S. Liebman
Barnet D. Skolnik
George Beall

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etc.
①

Frederick Sullivan (Edward Bennett
William Penn)

7/17/73

representative of the & Max Green
Comp. rep. by Winkler & Green.

2 matters to discuss

1- Diffusion individuals & comp in w/ his office,
mostly Tex diffusion. 62-69-70(c).

2- Green subject of meeting in 1967-1970
corrupt activities fed & state level.

no final decision about who will
be indicted for what.

all subjects through their attorneys are advised
& willing to explore whether or not our
relationships w/ people like Green
will be a totally advisory one.

We are not offering anything at this
point →

If Green is ~~also~~ interested $\rightarrow$ certain procedural steps to it.

- Since Green is not involved alone in these matters & we are negotiating w/ others $\rightarrow$ Green should realize he doesn't have alot of Time.

- Tell Green we are not just for fishing car or spend.

Sullivan says that always possible to negotiate.

- 1- Tax = generation of cash
- 2- other matter = relation to what we each put in.

(S) $\rightarrow$ what are we looking for & what are guidelines?

(2)

Green corruption @ state level 1967-1968.

② → with who.

Ans Gov. Byrne
Wolf
Hammerson

③ advised that it doesn't buy half a witness

also want to know re. Green's relationship
w/ D. L. ~~Anderson~~ Anderson.

also interested in Joe (Attan
Hess.) Rogers, Mandell.

George Kevin

Dave Fisher

Joe Jacobs L.A.A. County

Attan & Jacobs 1966 - present = it interests.

Batter City Bernie Warner

③ advised we are interested in
Green's personal Tax difficulties.

④ asks if we have any exhausted
area we are ~~interested~~ interested
in ②.

Guidelines = formalized letter spelling
out Terms & conditions but negative
under which if any would proceed.

Sign letter

Hypo

Green cross

examine doc

review of correspondence w's.

Then A commits itself to agreement, if any,
w/ Green.

Letter says that disclosure not used
directly, indirectly against client.

no conversation, if any, up front before we
know what we are buying.

(5) informed that GB not @ meeting
because his Bro. works w/ Green &
didn't want to affect investigation / Green.

re. publicity we have had reporters
sniffing around. (5) advised we do
not want publicity @ this stage of investigation.

(5) asked to stay away from press the over
request was tactful.

(5) asks "informally" what would we do for
his client if he gives us substantive stuff
imminently or possible depending on what he
delivers.

asked who decides on immunity → told
BDS, ~~not~~ RSC & RTB

told could earn Transactional immunity

6

re. Max Eisen → (5) asked if he fits w/ this same sort of negative pattern as Alan

are → yes re. conversation card → Alan's Testimony.

(5) advised re. familial relationships we can work him out.

(5) asked re. copy. are. could stand all the way to be ripped up in photo deal.

(5) said after a point at which (5) makes substantive disclosures to us, we will tell him how "it looks".

re. Time Table (5) advised → list not everyone gets minute + Time is a factor re. who cooperates w/ what first.

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : Immunity Unit
Criminal Division

DATE: August 31, 1973

FROM : George Beall
United States Attorney

SUBJECT: Request for Authorization to Immunize Grand Jury
Witnesses Under 18 U.S.C. §§ 6001-05

It is the purpose of this memorandum and the attached sheets to request authorization to immunize under 18 U.S.C. §§ 6001-05, witnesses who will be called to testify before a Special Grand Jury in the United States District Court for the District of Maryland, in accordance with the instructions contained in Memo #595, Supplement 1 (September 2, 1971).

On January 19, 1973, this office requested and subsequently received authorization to immunize [REDACTED] and three other individuals. All of these authorizations, including the authorizations requested by this memoranda, relate to a Grand Jury investigation into kickbacks to public officials in Baltimore County, Maryland, in violation of 18 U.S.C. §§ 1951 and 1952.

Attached please find separate memoranda for four witnesses for whom authorization to immunize is requested. In each case use immunity only is requested.

It is anticipated that further requests for immunity authorizations will be forthcoming as this investigation proceeds.

The Special Grand Jury conducting the Baltimore County kickback investigation, now meets every week. I would, of course, appreciate the authorizations as soon as is convenient. It is presently anticipated that the individuals listed in the attached memoranda will be called to testify before the Grand Jury on September 13, 1973. In the event of any difficulty, I would appreciate it if you would advise me immediately. My FTS number is 8-301-962-4822 X 300 and my commercial number is 301-539-2940 X 300.

This office greatly appreciates your continued kind cooperation and assistance in this investigation.

Attachments

1. [REDACTED]
2. [REDACTED]
3. None
4. [REDACTED]
5. [REDACTED]
6. The witness is not an important figure in criminal activity in this area.
7. There are no outstanding charges against the witness.
8. The witness is not currently incarcerated.
9. The investigation is being conducted by the Special Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.
10. The Grand Jury is investigating allegations of kickbacks to public officials in Baltimore County, Maryland.
11. [REDACTED]
[REDACTED] This office has reliable information that his firm has been making payoffs to Baltimore County officials through one of the other principal officers. The witness himself never delivered the money but contributed to the funds that were paid to the public officials. The witness could testify to these events. It is expected that he will invoke the privilege against self-incrimination because his testimony will incriminate him. His testimony will be in the public interest because it will disclose payoffs to public officials.

12. It is believed that the witness will testify and produce information if immunity is granted.
13. The witness's testimony should disclose violations by him of federal and state extortion and bribery laws as well as criminal violations of the Internal Revenue Code.

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~~000047~~

1. [REDACTED]
2. [REDACTED]
3. None.
4. [REDACTED]
5. [REDACTED]
6. The witness is not an important figure in criminal activity in this area.
7. There are no outstanding charges against the witness.
8. The witness is not currently incarcerated.
9. The investigation is being conducted by the Special Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.
10. The Grand Jury is investigating allegations of kickbacks to public officials in Baltimore County, Maryland.

11. [REDACTED]
[REDACTED] This office has reliable information that his firm has been making payoffs to Baltimore County officials through one of the other principal officers. The witness himself never delivered the money but contributed to the funds that were paid to the public officials. The witness could testify to these events. It is expected that he will invoke the privilege against self-incrimination because his testimony will incriminate him. His testimony will be in the public interest because it will disclose payoffs to public officials.

12. It is believed that the witness will testify and produce information if immunity is granted.
13. The witness's testimony should disclose violations by him of federal and state extortion and bribery laws as well as criminal violations of the Internal Revenue Code.

1. [REDACTED]

2. [REDACTED]

3. None.

4. [REDACTED]

5. [REDACTED]

6. The witness is not an important figure in criminal activity in this area.

7. There are no outstanding charges against the witness.

8. The witness is not currently incarcerated.

9. The investigation is being conducted by the Special Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.

10. The Grand Jury is investigating allegations of kickbacks to public officials in Baltimore County, Maryland.

11. [REDACTED]

[REDACTED] This office has reliable information that his firm has been making payoffs to Baltimore County officials through one of the other principal officers. The witness himself never delivered the money but contributed to the funds that were paid to the public officials. The witness could testify to these events. It is expected that he will invoke the privilege against self-incrimination because his testimony will incriminate him. His testimony will be in the public interest because it will disclose payoffs to public officials.

12. It is believed that the witness will testify and produce information if immunity is granted.
13. The witness's testimony should disclose violations by him of federal and state extortion and bribery laws as well as criminal violations of the Internal Revenue Code.

1. [REDACTED]
2. [REDACTED]
3. None.
4. [REDACTED]
5. [REDACTED]
6. The witness is not an important figure in criminal activity in this area.
7. There are no outstanding charges against the witness.
8. The witness is not currently incarcerated.
9. The investigation is being conducted by the Special Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.
10. The Grand Jury is investigating allegations of kickbacks to public officials in Baltimore County, Maryland.
11. [REDACTED]
[REDACTED] This office has reliable information that his firm has been making payoffs to Baltimore County officials through one of the other principal officers. The witness himself never delivered the money but contributed to the funds that were paid to the public officials. The witness could testify to these events. It is expected that he will invoke the privilege against self-incrimination because his testimony will incriminate him. His testimony will be in the public interest because it will disclose payoffs to public officials.

12. It is believed that the witness will testify and produce information if immunity is granted.
13. The witness's testimony should disclose violations by him of federal and state extortion and bribery laws as well as criminal violations of the Internal Revenue Code.

MEMORANDUM

September 11, 1973

TO: Attorney General Richardson
Deputy Attorney General Designate Ruckelshaus
Assistant Attorney General Petersen

FROM: George Beall
United States Attorney, District of Maryland
and Assistant United States Attorneys
Barnet D. Skolnik, Russell T. Baker, Jr.,
and Ronald S. Liebman

SUBJECT: Status Report on the Investigation of
Vice President Agnew and Others

Introduction

On Thursday, September 6, 1973, Assistant Attorney General Petersen by telephone directed this office to prepare a written status report on the investigation of Vice President Agnew and others. He requested that three copies of this report be delivered to the Department of Justice. Pursuant to this instruction, three copies of this memorandum are being delivered to the Department: one for Mr. Richardson, one for Mr. Ruckelshaus, and one for Mr. Petersen.

On Friday, September 7, 1973, Assistant United States Attorneys Skolnik, Baker and Liebman advised Mr. Petersen by telephone of their unanimous opinion that it was unwise at this time to prepare such a memorandum. Mr. Petersen stated that he appreciated the risks but that such a memorandum was necessary to enable the appropriate officials in the Department

properly to exercise their heavy responsibilities and to make the important decisions that must be made in the near future. Although we recognize and appreciate the gravity and importance of that decision-making process, we argued that all necessary information could be conveyed to the appropriate officials of the Department orally, without the risks attendant to a written memorandum. Mr. Petersen was not persuaded to our view; he, therefore, directed that the memorandum be prepared, but he invited us to state our concerns within the memorandum.

First, we fear that this memorandum or its substance may come into the possession of unauthorized persons--in particular, members of the press. The public disclosure of this memorandum or its contents would add substantial weight to the evidence already available to potential defendants concerning the legal question of prejudicial pretrial publicity. Furthermore, the public disclosure of this memorandum would further erode public confidence in the Department itself.

Second, we fear that this memorandum or its substance may, publicly or otherwise, come to the attention of the Vice President, his attorneys, or members of his staff. Particularly at this stage of the investigation, severe damage to any potential case against the Vice President might result were he to come

into possession of the information contained in this memorandum. In addition to the fact that this memorandum contains much information the disclosure of which to the subject of a criminal investigation would under no circumstances ever be appropriate, there is a further concern. Two witnesses who are at present cooperating in this investigation have already expressed through their attorneys their fear of the consequences--including economic ones--to them that might result if the Vice President were to learn at this point of their cooperation and the nature of their potential testimony. We believe that their cooperation, and the cooperation of other potential witnesses, might be terminated or substantially circumscribed if the information in this memorandum were to become public or otherwise to come to the attention of the Vice President.

For these reasons we believe that, at least until the present investigation of possible leaks from the Department is concluded, it is unwise to reduce the details of this investigation to written form, and we therefore respectfully suggest that all copies of the memorandum be destroyed after they have been read by their recipients except for one copy to be retained under tight security. A copy will also be retained in the office safe here.

Candor compels us to raise another matter. Mr. Petersen assured us on Friday that this memorandum had not

been requested for the purpose of delivering it to the White House, but he indicated that this or a subsequent prosecution memorandum might later be requested by the White House. We strongly oppose the presentation of any such memorandum to the White House. We have previously orally stated our views on this matter to Mr. Ruckelshaus and Mr. Petersen. Although it is arguable that a memorandum--which could easily be prepared --setting forth, in summary form, an overview of the investigation and its results could legitimately be requested by the White House, we cannot perceive any legitimate White House need for this or a similarly detailed memorandum. We fear that it or its contents might be disclosed by members of the White House staff to unauthorized persons, possibly including the Vice President himself. Furthermore, White House "leaks" for political purposes are a well-established fact. According to press reports, Melvin Laird of the White House staff has already made inappropriate statements to certain members of Congress. And yesterday's Baltimore Morning Sun carried a story that indicates that someone has disclosed to the press the substance of the discussions between the President and the Vice President at their meeting on September 1, 1973. A "leak" to the effect that a detailed memorandum provided to the White House by the Department of Justice clearly establishes that the case against the Vice

President is "very strong" is by no means unthinkable--and would harm the Government's position with regard to the inevitable prejudicial pretrial publicity motion. This thought persuades us that, ideally, no memorandum should be provided to the White House. But, having noted above the arguable legitimacy of a White House request for an overview memorandum, we content ourselves for the present to rest upon the proposition that this memorandum should not be provided to the White House. We respectfully request that we be given an opportunity to restate our views on this matter before any decision is made to give any memorandum pertaining to this investigation to the White House.

* * *

At this time this investigation is far from complete. Much of the information that we now possess has not yet been thoroughly analyzed, developed, or correlated with other information in our possession. Further investigation is necessary in many areas. Documentary and other corroboration must still be gathered, analyzed, and compared with the information that we now possess. As is inevitably the case at this stage of an investigation, there are inconsistencies to be reconciled, faulty or absent memories to be refreshed, and perhaps some willful misstatements to be disproven. In what follows we have

attempted to report the present state of our knowledge in each area of the investigation and to outline what in our judgment remains to be done. This memorandum should be read with recognition of the fact that it seeks only to describe, as of this moment, a situation in constant flux and continual development.

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THE AGNEW - HAMMERMAN - WOLFF SCHEME

Mr. Agnew and I. H. (Bud) Hammerman, 2d, have known each other ever since they attended junior high school together in Baltimore, Maryland. When Mr. Agnew ran for and was elected to the post of Baltimore County Executive in the early 1960's, Hammerman supported his opponent. At Hammerman's request, Mr. Agnew came to Hammerman's office for a meeting after the election. Hammerman congratulated him on his victory and offered him a \$10,000 post-campaign contribution. Mr. Agnew declined the offer and told Hammerman that he would treat Hammerman as if he had supported him in the election, but that when he ran for political office again, he would expect three times as much support from Hammerman as Hammerman had given to his opponent. Three years later when Mr. Agnew decided to run for Governor, he sought and obtained substantial financial help from Hammerman.

From the time that Mr. Agnew was elected Baltimore County Executive, through the time that he ran for and was elected Governor of Maryland, he and Hammerman developed a close personal friendship. During this period and continuing up until December 1972, he would periodically complain to Hammerman about his personal financial situation. Hammerman's response consisted of a series of cash payments and other financial benefits flowing from Hammerman to Agnew. These payments and benefits were unrelated to the monies involved in the scheme that is about to be described.

Hammerman first became acquainted with Jerome B. Wolff during the period when Wolff was an assistant engineer employed by the Baltimore County Public Works Department. Hammerman considered Wolff a brilliant engineer. At Hammerman's request Wolff would straighten out various problems that Hammerman had with the County in connection with his building business. A close friendship developed between the two men. Hammerman advised Wolff that if he ever decided to leave the County, Hammerman would use him as his engineer. Wolff did leave the County for a period of time, and Hammerman fulfilled his promise.

During the 1966 Gubernatorial campaign, Hammerman actively supported Agnew and in particular contributed and raised campaign funds for him. After Agnew's election, and over Hammerman's objections, Wolff was selected by Mr. Agnew to be chairman of the Maryland State Roads Commission. Hammerman's objections, which were heatedly discussed with Mr. Agnew, were based upon Hammerman's desire to retain Wolff as his private engineer. Mr. Agnew advised Hammerman that he should not be too upset about Wolff's new position because he, Hammerman, "would not lose" by this selection.

Under the Agnew administration in Baltimore County, J. Walter Jones had acted as Agnew's bagman. According to Wolff, Jones, although effective at the County level, did not have the sophistication needed to approach people for payments at the higher levels of government. Furthermore, Mr. Agnew had told Wolff that he suspected Jones of surreptitiously keeping for himself part of the payments that he received from consultants who were paying for

county work. (Wolff also remembers that at some point during his administration in Baltimore County, Mr. Agnew remarked in a disparaging way that an engineer named [REDACTED] was paying 10% on his county work, twice the rate at which others were paying).

In the spring of 1967, after Mr. Agnew was elected Governor, he summoned Hammerman to his office for a meeting. At this meeting he advised Hammerman that the Maryland State Roads Commission would be giving out a lot of work over the course of Mr. Agnew's tenure as Governor. He further advised that it was customary for engineers to make significant payments in order to obtain work. Hammerman was told to get in touch with Jerome Wolff and arrange with him to be notified in advance as to who would be getting state jobs.

Hammerman told Wolff what the Governor had suggested and found Wolff receptive. He subsequently reached agreement with the Governor and with Wolff that Mr. Agnew would receive 50% of the payments and that Wolff and Hammerman would equally divide the rest.

Although Wolff and Mr. Agnew had personal financial problems, Hammerman was a wealthy man. Hammerman claims, therefore, that he entered into this scheme primarily because he wanted to be close to the most powerful official in the state. Nevertheless, he accepted and used his share of the proceeds, largely for political contributions he made from time to time to various public figures.

As Chairman - Director of the State Roads Commission, Wolff made the initial selection of engineering firms for particular

jobs. From time to time, he would meet with Agnew to discuss the various projects which were ready to be awarded. In preparation for these meetings, Wolff would prepare handwritten agendas. He has saved his copies of some of these memoranda, and they are now in our possession. They corroborate Wolff's expected testimony that he frequently presented the Governor with a list of engineers from which the Governor would make the final decisions.

Wolff has advised us that no one was ever selected for a state engineering contract who was not competent to perform the work. Wolff has explained that no one wanted an incompetent engineer to be given a state job and then to perform it so poorly that questions could arise as to the reasons for his selection. Furthermore, there was no shortage of competent engineers who were willing to pay for work.

After the Governor had made final decisions, Wolff would then contact Hammerman who in turn would contact the selected consultant. Hammerman would suggest to the consultant that he was in line for a rather lucrative state contract. Although the conversation would always be on a sophisticated level, Hammerman had disclosed to us that the consultants almost always understood, and that Hammerman would receive the necessary cash payment. He would take out his one-quarter share. He would also retain Agnew's share in his possession until the Governor would call for it.

Hammerman would collect several payments keeping Mr. Agnew's share in a safe deposit box, the access records to which we

now possess. Mr. Agnew would periodically call for his share of the proceeds. During these telephone calls, the Governor would ask Hammerman how many "papers" he had for him. It was understood among the two of them that the term "paper" referred to \$1,000. Hammerman would tell Mr. Agnew how many "papers" he had, and Mr. Agnew would then request and receive the delivery of these cash sums. Hammerman would collect the money from the safe deposit box and personally deliver it to Mr. Agnew in plain white envelopes.

Initially Hammerman contacted the consultants who were about to receive jobs, but as the system progressed, it became common knowledge that he was the man to see about state work. Consequently, consultants would periodically meet with Hammerman to solicit certain jobs. Hammerman has told us that these discussions were equally sophisticated. There was no need for any coarse discussion or request from either side. Both sides often talked in terms of "political contributions." Hammerman, however, has candidly explained that there was no misunderstanding --- that payments were necessary for work. Moreover, many of the discussions concerning "political contributions" took place during times when, in fact, no political campaigns were in progress.

When consultants would meet with Hammerman and request certain work, Hammerman would respond that he would look into the matter. After the meeting he would contact Wolff and the contract would be awarded. After the consultant had received the job, Hammerman would contact him, congratulate him for being awarded the contract and, if he had not already done so, would arrange for the

receipt of a cash payment.

Wolff has advised us that there were some engineers who received state contracts without making payments. First, there were companies who had paid for work during their early developing years, but who had now achieved a size and stature which more or less insulated them from the necessity of paying for their work. On certain occasions, these consultant firms were so specialized that they were the only ones capable of performing a certain job. In these cases they would be assured of the contract even without making payments. There was, of course, always the risk for a non-payor of losing a job he might otherwise be awarded. Wolff has advised us that there are several firms who had not received much work under prior administrations, but who received large amounts of work as the Agnew administration progressed. Some of this work would in effect be taken away from other consultants who had not paid. In addition, it was considered unwise to cut off major firms who were known to be unwilling to pay because the actual selection process would have eventually become too obvious. It was thought to be particularly unwise to cut off firms, like the Ballard Company, who had been approached but who refused to pay. Their share of the work, however, was substantially reduced, as a review of the records largely demonstrates.

Wolff has provided us with his contemporaneous list of engineers who paid through Hammerman. Hammerman has confirmed that

Wolff's list is correct. They are: J. E. Greiner & Co., Inc., [REDACTED], Stack, Cohen, and Purdy, Buchart - Horn, Inc., [REDACTED] and Zollman Associates, Inc. We are currently attempting to gain cooperation of these payors. All of them have been contacted, and, with only one exception (Zollman), we have at least met with their attorneys. The various payors are at this point at various stages in the process of agreeing to cooperate with the government. We have by no means finished meeting with, debriefing, and fully corroborating the factual disclosures made by these people. Five of these have made disclosures to us. All confirm that they delivered cash in substantial amounts to Hammerman, but Greiner, [REDACTED] Cohen, and [REDACTED] deny that these payments were anything other than political contributions. Hammerman confirms Greiner's story, but his testimony conflicts with the stories of the others, as do Wolff's records. [REDACTED] admits substantial illegal kickbacks. We are now investigating the others.

At one point, Hammerman contacted Wolff because he was concerned that both Matz and Green were receiving substantial state work even though they were not paying him. Wolff advised Hammerman that these two men were paying directly to Governor Agnew and that he should stay away from them. The consultants who paid through Hammerman all generated the necessary cash needed out of their companies. This cash generation can be traced. We are currently in the process of obtaining this information. Wolff has turned over to us a sizable amount of documentary materials which he claims

corroborate his testimony. We are about to begin negotiations for the final deal with Wolff, and it is not now an appropriate time to meet with him in order to question him about these documents.

An IRS documents analyst has reviewed Wolff's documents. Although his report has not yet been written, he has provided us with his oral findings. According to this expert, the chemical tests that he performed on the ink show nothing inconsistent with authenticity. Furthermore, based on the ink, the many kinds of ink used, and the appearance of the documents, he has advised us that the papers appear to be authentic.

After Mr. Agnew was elected Vice-President, he asked Wolff to obtain a list of the jobs and fees received by Green. Wolff went to see Green about the list. He remembers, and Green has confirmed, that there was some bickering between them with respect to the list. Wolff retained the original list, as well as a copy of the final list that he prepared and handed to Mr. Agnew. Both of these lists have been turned over to us.

x x x

The testimony of two witnesses substantially corroborates the scheme described to us by Hammerman and Wolff: [REDACTED]

[REDACTED] and [REDACTED]

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[REDACTED] are the principal owners and officers of [REDACTED], an engineering firm in Maryland. They are expected to testify as follows:

Although [REDACTED] knew Mr. Agnew between 1962 and 1966, he made no payments under the Agnew Administration and received very little work from the County during these years. During the 1966 campaign he made a cash contribution to Mr. Agnew's campaign.

After the election, [REDACTED] called Hammerman and asked to have lunch with him. [REDACTED] had known Hammerman for some time. He also knew from his experience under the Tawes Administration that someone other than the Chairman-Director of the State Roads Commission would actually control State work under the Agnew Administration. He had heard rumors that Hammerman would fulfill this role which he credited because he knew that Hammerman was close to Mr. Agnew and had acted as a political fund raiser for him. At this luncheon meeting, [REDACTED] told Hammerman that his firm hoped for State Roads work, and Hammerman agreed to see what he could do on [REDACTED] behalf. There was no discussion of payments at this meeting.

Shortly thereafter Hammerman called [REDACTED] and set up an appointment in Hammerman's office. At this meeting, Hammerman told [REDACTED] that his company could get State work but that it would be necessary to make payments for Mr. Agnew's political needs. Hammerman insisted that the payments would have to be in cash. [REDACTED] had

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expected that payments would be necessary because of his experience under the Tawes Administration and he also believed at the time that if he refused to pay, his company would get little or no State work. Hammerman asked [REDACTED] what [REDACTED] thought he could do in this regard, and [REDACTED] replied that he would be willing to pay but that the amounts would have to depend upon the amount of State work that he received and what he could afford. He explained to Hammerman that the economics of these State contracts limited the amounts that he could afford to pay. Hammerman asked [REDACTED] to determine what he could do and that he (Hammerman) would find out whether this was satisfactory to Mr. Agnew. During this meeting there was no discussion of specific amounts or percentages, and [REDACTED] recalls that Hammerman was very pleasant.

[REDACTED] reported his discussion with Hammerman to [REDACTED] and together they calculated that [REDACTED] could afford to pay something between \$500 and \$1,000 per month if they received the State work that they expected. They were concerned about their [REDACTED] capacity to generate the necessary cash and feared that the amount that they could afford would be insufficient.

[REDACTED] met with Hammerman and told him of the amounts that he would be willing to pay. Hammerman agreed, but he told [REDACTED] that if the amounts proved unsatisfactory, he (Hammerman) would so advise [REDACTED].

Thereafter, [REDACTED] began to receive State contracts, three of which were substantial ones. Hammerman seemed to know in advance when the company would receive a contract, and would call [REDACTED] and ask to see him. [REDACTED] would always bring the cash payments with him for these meetings, and at these meetings he would be advised by Hammerman that his company was about to receive a contract. Other meetings occurred solely for the purpose of making payments. Meetings occurred approximately once a month. They were always in Hammerman's office, and the two men were always alone. The payments were always in cash and varied between \$500 and \$1,000. If the company had just received a substantial contract, [REDACTED] might increase the payment somewhat. When [REDACTED] was not available, [REDACTED] would deliver the money to Hammerman. On occasion, [REDACTED] would find it difficult to generate the necessary cash, and therefore some period of time would go by without a payment. On these occasions [REDACTED] would call Hammerman and explain the situation to him. Sometimes Hammerman would call [REDACTED] complain that [REDACTED] was falling behind in his payments.

[REDACTED] continued these payments to Hammerman into 1970, even though Mr. Agnew was no longer in Annapolis, because he continued to receive fees from the State on the contracts awarded to his company under the Agnew Administration. At one point Hammerman suggested to [REDACTED] that his company might receive federal work and urged him to

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set up an office in the Rockville, Maryland, area in order to make his firm appear more eligible for federal work. [REDACTED] however, never received any federal work at all, and he soon closed his new Rockville office. Sometime in 1970, [REDACTED] advised Hammerman that he would no longer make payments because the State contracts awarded to him by the Agnew Administration were now completed. Hammerman agreed.

During the 1972 campaign, [REDACTED] received a telephone call from Jones who advised him that he was in charge of fund raising in the Maryland area for the Nixon-Agnew ticket. Jones wanted [REDACTED] to contribute \$5,000, and [REDACTED] agreed to pay \$3,000 immediately and, if possible, \$2,000 at a later date. During this conversation, Jones told [REDACTED] that he would be in control of federal work up and down the East Coast if Nixon were reelected and that federal work would be forthcoming. [REDACTED] took \$3,000 in cash to Jones in his office in Annapolis but never received any federal work and never paid the remaining \$2,000.

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[REDACTED], is now the [REDACTED]
[REDACTED], an engineering firm in
the State of Maryland. He is expected to testify as follows:

In July 1967, while he was on vacation, [REDACTED]
[REDACTED] met with I. H. Hammerman II in the latter's office in
Baltimore. This meeting was scheduled at Hammerman's request. Hammerman told [REDACTED], that the [REDACTED] would be able to
get contracts from the State Roads Commission. When [REDACTED]
returned from his vacation, [REDACTED] informed him of this meeting.
[REDACTED] then went on vacation himself, and while he was away,
Hammerman called again and asked to meet with [REDACTED]. An appointment was scheduled for August 9, 1967. Hammerman showed [REDACTED]
a list of upcoming contracts that would be awarded by the State Roads Commission and stated that the [REDACTED] would receive some
of these contracts in the very near future. Hammerman told [REDACTED]
[REDACTED] however, that it would be necessary for him to pay to Hammerman
a 5% fee in cash in order to receive these contracts. According to
[REDACTED], Hammerman also told him that the company could generate
the cash necessary to make these payments by using the expense accounts
of executives in the company. [REDACTED] was infuriated by this
demand and promptly told Hammerman so. He advised Hammerman that these
payments were illegal and that he was not going to make them. He also
told Hammerman that State business should not be awarded on this basis
and that he planned promptly to contact his attorneys to see what could

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be done about it. Hammerman unsuccessfully attempted to persuade [REDACTED] not to discuss this subject with his attorneys.

[REDACTED] discussed this matter with [REDACTED] when the latter returned from his vacation, and they agreed that they should talk to their attorneys in order to determine if anything could be done to stop this system. They met with their attorney, [REDACTED]

[REDACTED] This meeting occurred on August [REDACTED] 1967. [REDACTED] told [REDACTED] that he would see what he could do.

Nothing very much happened for several months, but we are now in possession of a letter dated September 5, 1967, from [REDACTED] to Governor Agnew. The letter is on another subject but at the end appears the following: "P.S.S. What is the status, if any, of the [REDACTED] matter?" This letter suggests that [REDACTED] had discussed the [REDACTED] matter with Governor Agnew.

[REDACTED] set up an appointment for both [REDACTED] with Governor Agnew on February [REDACTED] 1968. The [REDACTED] told the Governor about Hammerman's proposition and complained that State work should not be given out on this basis. The Governor was polite, apologetic, and told the [REDACTED] that this situation was merely the result of over-enthusiastic political support for him. He also told the [REDACTED] that he would check on the situation and get back to them.

[REDACTED] never heard from Governor Agnew again. Shortly before their meeting with the Governor, a substantial project that

was scheduled to be awarded to them was taken away and given to another company. The [REDACTED] believed then and believe now that they never received their fair share of State work under the Agnew Administration. They did, however, receive some State work.

[REDACTED], has given us his 1967 and 1968 pocket diaries. They show his meetings with Hammerman, [REDACTED] and Mr. Agnew. We plan to meet with [REDACTED] some time during the week of September 10, 1973.

THE ALLEN GREEN-SPIRO AGNEW RELATIONSHIP

Allen Green is the President and principal owner of Green Associates, Inc., a large engineering firm located in Baltimore. He is represented by Brendan V. Sullivan, Jr., of Williams, Connolly and Califano. Mr. Green has agreed to cooperate fully in this investigation and to plead guilty to a felony violation of the tax laws of the United States that will expose him to a maximum sentence of at least three years. This office has promised that, in return, his cooperation with the Government will in an affirmative way be brought to the attention of the sentencing Court. He is expected to testify in substance as follows:

Mr. Green has been a sophisticated participant in illegal kickback schemes in Maryland for a long time. He has advised us that it has been his experience over the twenty-some years that he has been in the engineering business in Maryland that many but not all State, City and County administrations will not award substantial engineering contracts to firms that do not pay in one way or another. Some of these administrations have required payments of as much as 5% or even 10% of the fees, but Mr. Green has been quite successful in persuading public officials that these high percentages are unrealistic given the economics of the engineering industry, and he has succeeded in

getting substantial business for much lower amounts. It has been his experience and it is his belief that under these administrations "the only way" to get substantial business is to make payments. He has made substantial illegal payments under the McKeldin and Tawes State administrations and to ~~Joseph Alton, the County Executive of Anne Arundel County,~~ Maryland.

Leave it →

Green first met Mr. Agnew in 1964 or 1965. He was asked by Mr. Agnew to submit to the County his firm's credentials and promised that his firm would be considered for work. Although he was approached at least once by J. Walter Jones, he never made any illegal payments in Baltimore County during Mr. Agnew's tenure as County Executive. He cultivated his relationship with Mr. Agnew, however, and by 1966 they had developed a close friendship.

At some point Mr. Agnew began to talk about running for Governor in 1966. At this point Mr. Agnew was worried about whether he would be able to raise the substantial amounts of money necessary for the campaign. Mr. Green recalls that shortly before Mr. Agnew announced his candidacy, the two of them met for lunch and Mr. Agnew informed him of his intention to run. He asked for Mr. Green's financial help, and by the end of the luncheon Mr. Green had promised to supply between \$8,000 and \$10,000 for the campaign.

The Democratic State organization to which Mr. Green had been making illegal payments, however, pressured him to contribute \$10,000 to the Democratic candidate. This cash contribution substantially depleted the cash funds that Mr. Green had been able to accumulate in his business for the purpose of making cash payments. He was therefore not in a position to honor his total commitment to Mr. Agnew prior to the election. He advised Mr. Agnew of this fact and promised him that he would make good on his commitment after the election. Mr. Agnew agreed to this procedure. After Mr. Agnew was elected, Mr. Green made good on his original commitment, apparently in several cash payments directly to Mr. Agnew.

Sometime after the election, and perhaps even after Mr. Agnew's inauguration as Governor of Maryland, he advised Mr. Green that he was considering Jerome B. Wolff as his appointment to be the Chairman-Director of the Maryland State Roads Commission. He asked if Mr. Green thought that this would be a good appointment. Green had known Wolff for several years and had a very high opinion of him. He told Mr. Agnew that although Wolff had been primarily a sanitation engineer, he believed that Wolff would make an excellent Chairman-Director.

After Green had fulfilled his campaign obligations to Mr. Agnew, he met with then Governor Agnew. Mr. Agnew spoke of his concern about the substantial financial obligations and requirements imposed upon him by virtue of his new position. As the titular leader of the Republican party in Maryland, Mr. Agnew believed that he would need substantial political funds to support both his own organization and in particular other Republican candidates around the State. In addition, Mr. Agnew complained to Green about his personal financial situation. Mr. Agnew had complained to Green about this situation before. As County Executive he had been paid very little and, although his salary had been increased when he became Governor, according to Mr. Agnew, his new job required him to adopt a different and more expensive life style. In addition, he had certain personal expenses that he found it difficult to meet. Green responded by saying that his company had benefited from State work and had been able to generate some cash funds from which he would be willing to provide Mr. Agnew with some financial assistance. Mr. Agnew replied that he would appreciate anything that Mr. Green could do for him.

At their next meeting Mr. Green handed Mr. Agnew an envelope that contained somewhere between \$2,000 and \$3,000 in cash. He told Mr. Agnew that he knew of his financial

problems and that this was the assistance that he had promised earlier. Over the remaining portion of Mr. Agnew's term as Governor, this scene was re-enacted somewhere between six and nine times a year. At first Green would repeat the statement that accompanied the first payment, and in addition he recalls that on at least one occasion he expressed his appreciation for the State work received by his company. But as time went by, there was less and less conversation about the payments, and Mr. Green would merely hand envelopes to Mr. Agnew at the beginning of their meetings. The envelopes always contained between \$2,000 and \$3,000 in cash. The exact amount would depend upon the amount of cash money that Green had been able to generate in his company. If he had just received a very substantial contract, he would increase the payment. In his head, Green calculated that somewhere between 1% and 1½% of his fees from the State constituted the appropriate amount that he should pay to Governor Agnew. During these years he kept a written list of the amounts of his payments to Mr. Agnew, but he destroyed this document after his company's records were subpoenaed by our office in the spring of 1973, because he knew that this document would incriminate him. The two men were always alone in the Governor's office when Green made the payments, and he recalls that Mr. Agnew would either

place the envelope in his coat pocket or in his desk drawer.

It was Green's purpose to exploit these meetings as opportunities to discuss with Mr. Agnew upcoming State engineering projects. They talked of State work in general and specific jobs in particular during these meetings, and Green frequently asked for and on many occasions, although not always, received from the Governor assurances that the Green Company would get State work, including specific jobs. Green recalls that occasionally the Governor would repeat his earlier complaints about his political and personal financial difficulties. Green also recalls that at some point, probably early in the administration, Mr. Agnew asked Green whether several particular firms could be counted upon for political contributions.

Wolff recalls that at some point during this period Green told him that he was fulfilling his obligations directly. Wolff therefore told Hammerman not to bother Green.

Our negotiation letter to Green gave him no protection for disclosures made by him as to the means by which he generated the cash, and for this reason he has understandably declined to discuss this subject with us until a final agreement is signed. An examination of his company's financial records by the IRS has led us to believe that at least substantial amounts of cash were generated through himself and [REDACTED] brother, [REDACTED] Mr. Green

has been instructed and has agreed to begin the process of reviewing his records for the purpose of establishing the dates and amounts of the payments. His attorney has advised us that he will provide us with this information in the near future.

Green did not see much of Mr. Agnew between his nomination and election in 1968. He did meet with him, however, on one occasion during this period and made a cash payment. He believes that on this occasion Mr. Agnew complained that his financial situation had not improved and would be aggravated by the assumption of the office of Vice President because even though his salary would be increased, his standard of living would also have to elevate.

At some point after Mr. Agnew was elected Vice President, but before his inauguration, Wolff came to Green with lists of the contracts received from the State Roads Commission by the Green company. Wolff told Green that Mr. Agnew had asked Wolff to prepare this list. Wolff had prepared such a list and wanted to check it with Green before he submitted it to the Governor. Green believed at the time that these lists were a means by which Wolff and the Governor would collect the debts owed to them by the various engineers who had received substantial State work. He and Wolff discussed the list. Green argued that some of the jobs that appeared on the list had in fact been

awarded to him under the Tawes Administration and that the Agnew Administration did not deserve credit for them, but Wolff reminded Green that the Agnew Administration could have cancelled some or all of these contracts. In effect, Wolff and Green, two sophisticated players, negotiated, and Green admits that there was give and take about the list. Subsequently, Green prepared his own list and submitted it to Wolff. Wolff confirms Green's recollection of these conversations and has given us his copy of the final list that he prepared for Mr. Agnew.

Sometime thereafter, Green met with Mr. Agnew at the latter's request in his Baltimore office. Green believes that this meeting occurred before the inauguration. Agnew began by stating that he had asked Wolff to prepare a list of the State work received by the various engineering firms and that he noted that Green's company had received a lot of work. He told Green that he was glad that things had worked out this way. Mr. Agnew then stated that he had been unable to improve his financial situation during his two years as Governor and that although his salary as Vice President would be substantially higher, he expected that the social and other demands of the office would substantially increase his personal expenses. For these reasons, he hoped that Green would not stop his financial assistance, and he went on to say that he hoped that he would be able to be

helpful to Green with respect to Federal work. This latter statement surprised Green who tells us that the quid pro quo was understood and didn't have to be spelled out, "but Agnew said it anyway."

Green replied that he would appreciate the opportunity to continue to be of financial assistance to Mr. Agnew, but that he was not sure that he could make payments as great as those that he had made during the previous two years. At the time Green knew, but did not say, that he was somewhat behind the 1% to 1½% standard that he had been following. He also had some hope at the time that his Federal business might increase as the result of Mr. Agnew's efforts on his behalf. He did tell Mr. Agnew of one substantial concern: that the new administration in Annapolis would take credit and demand payments for projects that had actually been awarded to his company by the Agnew Administration. Mr. Agnew, however, assured him that he did not believe that this would happen.

Green made cash payments to Vice President Agnew three or four times a year up to and including Christmas, 1972. These payments were usually about \$2,000 a piece. Some of the payments were made in Mr. Agnew's office in the Executive Office Building, and the logs that we have obtained show that Green visited the Vice President there on at least six occasions during

these years. The Green and Agnew families would also meet at Christmas for a family dinner and Green also made payments on these occasions. As before, the money was always in an envelope and the two men were always alone when the payment was delivered. Mr. Green has told us that on the first occasion at which he met Mr. Agnew in the Vice President's chambers, he was awed by the office and the position of the man, that he felt very uncomfortable about the transaction that was about to occur, and that he was suspicious that the conversation might be overheard or even taped. For these reasons, he did not feel that it was wise to speak of personal financial assistance. Therefore, he stated to the Vice President that these funds were part of his continuing and unfulfilled commitment with respect to campaign contributions. He recalls that on the first occasion he raised his eyes to the ceiling while making this speech in order to suggest to the Vice President the reason for this unusual and inaccurate statement. (Wolff recalls that at some point Green disclosed to him that he had just paid the Vice President.)

During their meetings in this period, Green frequently asked about Federal engineering contracts for his company, but he soon found that Agnew had little or no control over Federal work. He did receive one Federal job, a contract for the redesign of a building in Washington. He discontinued his payments

to Agnew after the Baltimore County investigation by this office
began in January, 1973.

THE LESTER MATZ-SPIRO AGNEW RELATIONSHIP

Lester Matz and John C. Childs are the principal executives of Matz, Childs and Associates, Inc., which, since 1970, has been a wholly owned subsidiary of the Walter Kidde Co. Although both men have provided the Government with the information they possess pursuant to our standard negotiation letter, no final agreement has been reached with either man.

Both Matz and Childs have been debriefed by representatives of this office. A substantial amount of work with these men remains to be done, but it is now expected that Lester Matz can and will testify in substance as follows:

Lester Matz and John Childs established their company in Baltimore County in 1956. From 1956 until 1963, they found it extremely difficult to get substantial amounts of public work from Baltimore County. They observed that a relatively small group of engineering firms who were close to the Democratic County Administration received most of the County engineering work. Despite repeated efforts, Matz and Childs simply could not break into this group.

Seeing an opportunity to gain access to the inner circle, Matz welcomed Mr. Agnew's candidacy for Baltimore County Executive in 1962. He believed that a new Republican administration to which he had given political support would offer him an opportunity to receive substantial public work. During Mr. Agnew's 1962 campaign for County Executive, Matz and Childs made a small cash contribution directly to

Mr. Agnew for his campaign.

Sometime after Mr. Agnew had assumed office as County Executive, Matz was contacted by J. Walter Jones. Matz knew that Jones was close to Mr. Agnew because the three men were already beginning to develop what would later become a close social relationship. Jones told Matz that they were going to make a lot of money under the Agnew administration. Matz was invited to meet with Mr. Agnew and Jones in Jones's office in Towson. At this meeting, although there was no specific discussion about payments for County work, Mr. Agnew told Matz that he had a lot of "confidence" in Jones. Matz understood that to be a clear message that payments were to be made through Jones.

A short time thereafter Jones and Matz met again, and at this meeting Jones advised Matz that cash payments in the amount of 5% would be necessary for the County work that Matz's company would receive. It was Matz's understanding that the money was to go to Mr. Agnew. Matz and Childs were not unhappy about this arrangement. They were delighted to be in that small group of engineers who were close to the Agnew administration and who would receive most of the substantial County work. The company could afford the 5% payments, and both men believed that the payments would make a substantial difference in the amount of work that their company would receive.

Thereafter, as the company received County work, Matz would deliver to Jones the required 5% cash payments. The money was almost always paid in advance. (That is, before fees were actually received

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by the company from the County). The cash was placed by Matz in envelopes that he delivered to Jones in the latter's office in Towson.

During these years, Matz and Childs generated the necessary cash by increasing the bonuses of [REDACTED] and requiring them to return the increases in cash. To a small extent they also took some money out of the petty cash fund in the company to use for the payoffs. Matz does not recall any occasion upon which these payments were described or referred to as "political contributions."

Although his County work increased substantially, Matz remained unsatisfied and believed that his payments entitled him to an even larger share. He expressed his dissatisfaction to Jones who arranged a meeting between Matz and Mr. Agnew at the latter's house. At this meeting, Matz complained to Jones and Mr. Agnew about the amount of County work which he was receiving. Both Mr. Agnew and Jones promised to help the company, and Mr. Agnew told Matz that he would speak to the appointed county officials who were nominally responsible for the selection of engineering firms for County work.

During Mr. Agnew's 1966 gubernatorial campaign, Matz and Childs contributed to his campaign several thousand dollars in cash. In addition, Lester Matz raised other campaign funds for Mr. Agnew. Under Governor Tawes's administration, the Matz and Childs company had not received any substantial amount of state work. Matz and

Childs both realized that their firm had not been among the small group of engineering firms which were politically close to the Tawes administration and which had received most of the State work. They were both excited about Mr. Agnew's candidacy because they believed that if he were to be elected, their company would begin to receive substantial amounts of State work.

These hopes were not fulfilled during the first months of Mr. Agnew's tenure as Governor. The Tawes administration had awarded almost all of the prospective contracts to its friends shortly before it left office in January, 1967. Therefore, there was very little engineering work to be awarded to anyone during the first months of the Agnew administration. Matz complained to Jerome B. Wolff, an old friend, and the man appointed by Governor Agnew to be the Chairman-Director of the Maryland State Roads Commission. Wolff promised Matz that his company would receive contracts on upcoming projects.

Several months after the Agnew administration took office, the State Roads Commission began to generate new contracts, and the Matz and Childs Company began to receive substantial amounts of State work. During this period, Jones attempted on several occasions to perpetuate the arrangements that he had had with Matz in Baltimore County. Matz, however, was reluctant for several reasons to continue this arrangement. He realized that by paying through Jones (or any other middleman), the credit to which the payments entitled him would be somewhat diluted; furthermore, he suspected that Jones had been

keeping some of the money for himself. His personal relationship with Jones had deteriorated somewhat and, since he had retained his close personal relationship with Mr. Agnew, Matz began to think that he could establish with Mr. Agnew a relationship of direct payments. Matz therefore decided not to continue to pay through Jones and told Jones that he would take care of his obligations directly. The amount of work which the company received from the State continued substantially to increase and, on at least one occasion, Matz was asked by Wolff if he was taking care of his obligations with respect to State work. He said yes.

By the summer of 1968, however, Matz had still made no payments in connection with the substantial state work that he was receiving. The amounts involved were too great for him to pay in advance on state work. But he was willing to fulfill his obligations because he wanted to establish himself as someone who could be trusted in order to insure that his company would continue to receive substantial amounts of state work. He assumed that the 5% rule still applied, and he was willing to comply with that standard. Matz also knew that since he had been awarded substantial state work, he was behind in his payments. He also realized that it would be extremely difficult for his company to generate the substantial amounts of cash necessary to meet his obligations if he were to continue to rely exclusively upon the bonus and petty cash systems; the substantial amounts of State business that he had received had outstripped his capacity to generate cash by his usual methods. In particular, he

was concerned that a routine IRS audit would disclose the scheme if he were to continue to use his standard procedures to generate such large sums.

In the summer of 1968, Matz and Childs together calculated that under the 5% standard they already owed approximately \$20,000. The piece of paper upon which they made these calculations is now in the possession of the Government, and chemical tests on the ink that was used have established nothing inconsistent with the authenticity of the document. Matz decided that it would be necessary to go outside of his company to generate the necessary cash. He approached [REDACTED] and told him that he needed \$30,000 in cash, but he did not disclose the reason. He asked for \$30,000 because he realized that within a short period of time he would owe \$10,000 more than the \$20,000 that he intended to pay at that time. Matz suggested to [REDACTED] the following scheme:

The Matz, Childs Company would by corporate check "loan" [REDACTED] \$30,000; [REDACTED] would generate \$30,000 in cash through his company which he would return to Matz; [REDACTED] would repay the "loan" with \$1,700 quarterly checks to the Matz, Childs Company for principle and interest; and Matz would return these "repayments" to [REDACTED] in cash. This scheme was satisfactory to Matz because his regular procedures were adequate to generate \$1,700 in cash on a quarterly basis. [REDACTED] has been interviewed and confirms Matz's recollection of these events. We also have in our possession all relevant [REDACTED] checks).

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[redacted] was able to generate \$20,000 in cash almost immediately, and he promised Matz that he would supply him with the additional \$10,000 in cash in the near future. [redacted] delivered \$20,000 in cash to Matz in a manila envelope. Matz recalls that he showed the money to Childs before he delivered it to Mr. Agnew.

Matz called Governor Agnew's office and set up an appointment with the Governor in his Baltimore office. We have not yet been able to determine whether or not any state agency kept logs of visitors to the Governor in those years, and we have not yet been able to locate any executive appointment books for Governor Agnew. We believe, however, that Matz's appointment with Agnew must have occurred shortly after July 16, 1968. On that date, the Matz, Childs Company issued the \$30,000 check to [redacted] and Matz will testify that very shortly thereafter [redacted] returned the \$20,000 in cash to Matz. In addition, Matz recalls that his appointment with Mr. Agnew occurred almost immediately before a well publicized banquet for Mr. Nixon in the Governor's Mansion in Annapolis, a banquet attended by a number of prominent Maryland businessmen including Matz himself.

Matz met with the Governor alone and handed him the manila envelope that contained the \$20,000 in cash. Matz expressed his appreciation for the substantial State work that his company had been receiving and told Agnew that the envelope contained the money that was owed to him in connection with this work. Matz recalls that both he and Agnew were somewhat embarrassed and uncomfortable during

this meeting because this was the first occasion upon which Matz had paid any money directly to Mr. Agnew. Mr. Agnew indicated to Matz that he would use some or all of the money in connection with his support of Mr. Nixon.

Matz made no further payments to Mr. Agnew while the latter was Governor. Matz, however, did make some direct payments to Wolff during this period in connection with corrupt dealings not directly involving Mr. Agnew. He also acted as a middleman for several other businessmen who made direct payments to Wolff as Chairman-Director.

During the 1968 campaign, the Matz, Childs firm contributed something between \$5,000 and \$10,000 to Mr. Agnew's campaign. Present indications are that these were legal political contributions.

Sometime after Mr. Agnew assumed his responsibilities as Vice-President, Matz calculated that he owed him approximately \$10,000 more. He made these calculations on the same piece of paper that he had used in the summer of 1968. The increased obligations arose from the continued State payments to his firm in connection with contracts that had been awarded under the Agnew administration in Annapolis. Matz was willing to fulfill these obligations even though Mr. Agnew had left Annapolis because he did not want to impair his reputation as a man who would meet his obligations and in particular because he wanted to be considered for federal work that he hoped Mr. Agnew could arrange for his company. He therefore set up an appointment with Mr. Agnew in the Vice-President's offices in Washington in

early 1969. It is difficult for Matz to date this meeting. He recalls that it was early in the new administration and EOB logs showed that he met with the Vice-President on March 18, 1969 and April 24, 1969. Matz believes that he met with Mr. Agnew in the Vice-President's temporary offices in the White House itself. He met with the Vice-President alone and gave him approximately \$9,000 or \$10,000 in cash in an envelope which he recalls Mr. Agnew placed in his desk drawer. Matz told Mr. Agnew that the envelope contained money still owed to him in connection with State work. He also told Mr. Agnew that the company would owe more in the future and that he would meet these obligations. He and the Vice-President agreed that they would meet again for that purpose in the future. After this meeting, Matz returned to Baltimore and told Childs that he had just made a payment to the Vice-President. Matz used the final \$10,000 from [REDACTED] to make this payment.

Matz made several subsequent payments to the Vice-President in 1969 and 1970, but he is uncertain about both the dates and amounts. He believes that he paid an additional \$5,000 to Mr. Agnew, possibly in two \$2,500 payments. He never completely fulfilled his obligations to Mr. Agnew, however, at least partially because he began to realize that his company would not receive any substantial federal work. Apparently Mr. Agnew did attempt to assist the Matz, Childs Company with respect to a contract in connection with the Washington Metro

System, but the officials in charge of the project were angered by Matz's attempt to use political influence to get work, and Matz did not get the job.

Sometime in 1970, or early 1971, Matz received a telephone call from Jones who advised him that there was an upcoming federal job that the Vice-President would control. This job would generate something on the order of \$100,000 in fees, and Jones advised Matz that a payment would be necessary. This job was the [redacted] and Matz wanted it to go to [redacted], a company [redacted]. The job was awarded to [redacted]. He then approached [redacted] for the purpose of advising him that the job was awarded through Mr. Agnew and that a payment was expected. [redacted] at first balked, but when Matz later told him that he (Matz) had committed them to make a 5% payment to Mr. Agnew, [redacted] finally agreed to contribute \$1,000. Matz arranged an appointment with Mr. Agnew and Jones in the Vice-President's offices in Washington. He then arranged to meet with [redacted] in Washington just before his appointment with the Vice-President. Matz met with [redacted] across the street from the EOB and there received from [redacted] \$1,000 in cash. Matz added \$1,500 in cash and placed the entire sum in an envelope which he took with him to his meeting with Jones and the Vice-President. [redacted] has been interviewed and confirms Matz's recollection of these events. We have the check by which he generated the \$1,000.

Matz met with Jones and the Vice-President and placed the envelope on the Vice-President's desk saying that this was the money for the job. By the time Matz left this meeting, neither Jones nor the Vice-President had removed the envelope from the desk.

EOB logs show that Matz met with the Vice-President on April 20, 1971, and this date corresponds with the date on the check that [REDACTED] cashed to generate his share of the payment. To the extent that we understand the EOB logs, however, they do not confirm that Jones met with the Vice-President on this date. Mr. White is attempting to obtain a clarification of some of the documents supplied to us by the Secret Service, and we are pursuing this matter.

John C. Childs is expected to testify in substance as follows:

Childs never made any payments to Mr. Agnew, Jones, or Wolff. Nevertheless, he was aware from Matz of these payments and of the means by which the cash was generated, and recalls contemporaneous discussions with Matz about the payments. His own experience in Baltimore County had convinced him that the company would never receive any substantial public work unless they made payments. Under the Agnew administration in Baltimore County, he discussed with Matz the payments to Jones and was involved in the generation of cash by the company. He recalls that during the 1966 election, he and Matz believed that if Mr. Agnew was elected Governor their company would be able to break into the substantial amounts of work awarded by the State Roads Commission. In July of 1968, he assisted Matz in making

the calculations that led to the \$20,000 payment to Mr. Agnew and knew from his conversations with Matz at the time that the money had come from Berman and that Matz paid the money to Mr. Agnew shortly before the Nixon banquet in Annapolis. He did not know in advance of Matz's \$10,000 payment to Vice-President Agnew in early 1969, but he recalls that Matz informed him of this payment immediately thereafter. He also recalls that Matz told him at the time of the \$2,500 payment made in connection with the Suitland job.

PROJECTION OF THE REMAINING INVESTIGATION

This section of this memorandum contains a summary of the investigative steps that this office believes should be completed before any final decisions can properly be made as to whether or not indictments should be presented to the Grand Jury. Although we understand and appreciate that it is important to expedite this investigation, we believe that all of the following steps and procedures should be completed if we are to satisfy ourselves and the public that this investigation was conducted with the care and thoroughness that are required by the interests of both the Government and those under investigation. In short, it is more important that this investigation be done right than that it be done quickly.

Furthermore, to the extent that the Grand Jury is needed to accomplish effectively many of the steps outlined below, it is important that such steps be completed prior to the return of any indictment against the Vice-President. That is because a Grand Jury cannot be used for trial preparation purposes. To the extent that we would have to persuade a court that post-indictment Grand Jury proceedings were truly required by a "continuing investigation" and were not merely utilized to gather evidence for use at trial, we would be running the risk of having important evidence suppressed. The best way to avoid that risk is to complete a thorough Grand Jury investigation before any indictment against the Vice-President is returned.

1. Formal understandings with the four major cooperating witnesses must be finalized, and the testimony of all four must be taken in detail under oath. At the present time, Green and Hammerman have each agreed to plead guilty to a tax felony count and to cooperate fully with the Government. Neither man has either taken a polygraph test or signed a formal letter of understanding with the Government. We expect that Green and Hammerman will sign agreement letters this week, and we intend to arrange polygraph tests for them in the near future. We wish to accomplish those two steps with both Green and Hammerman before confronting the attorneys for Wolff and Matz with our specific offers of understandings — which, as presently contemplated by us, will include the requirement that they (Wolff and Matz), must each plead guilty to a criminal charge. Wolff has taken the lie detector test and to a large extent failed it — though not as to the truthfulness of his essential disclosures pertaining to corrupt dealings with the Vice-President. Matz has taken the lie detector test and essentially passed it — but only after learning that Wolff had failed the test and then disclosing information that he had previously withheld. Our present plan is to have Wolff, who has also made further disclosures to us, take the test again; we hope and expect that he will now pass it. Thereafter we intend to confront attorneys for Wolff and Matz with specific deal offers.

Once all four major witnesses are firmly committed to understandings with the Government, much will still remain to be done

with regard to the very substantial testimony anticipated from each one. We must continue to gather corroboration for their testimony, in part from sources beyond their control (for example, logs, if they exist, from the Governor's office in Annapolis with respect to the Governor's visitors.) The detailed testimony of each witness must eventually be taken under oath. This requires that each witness first be confronted with all relevant documents, with conflicting testimony, and perhaps to some extent with each other in person, all in an effort to maximize our knowledge of the truth about events, many of which are several years past and as to some of which the evidence now available is to some extent inconsistent. We would then propose to reduce the anticipated testimony of the four major witnesses to sworn statements, which could subsequently be read to the Grand Jury.

2. J. Walter Jones must be thoroughly investigated. At this point it appears that there are five potential major witnesses against the Vice-President: Green, Matz, Wolff, Hammerman, and Jones. Jones, of course, is the only one who has not in any way cooperated with the Government thus far. During this investigation we have accumulated a substantial amount of evidence against Jones, not all of which clearly involves Mr. Agnew. For example, we have been advised by the attorney for an engineer named [REDACTED] that he made payments of 10% in cash to Jones between 1962 and 1968 on county and state work. [REDACTED] made "political contributions" through Jones in connection with state and federal architectural work. Jones told him that these contributions should amount to 5% of his fees. Joel Kline (awaiting sentencing in Washington, D. C.) has told us that he made illegal

payments to Jones for HUD approvals, payments that may have been unrelated to Mr. Agnew. We are now pursuing these matters.

3. There are several transactions that might well result in indictment counts against the Vice-President which must be investigated more thoroughly than they have been thus far. These include cash payments to the Vice-President through Hammerman from people either who have not yet chosen to cooperate with us or who have been less than candid with us. Not all such transactions involve engineers. For example, Hammerman has told us that he received a \$20,000 cash payment from [REDACTED] on behalf of Alex Brown & Sons, Maryland's largest brokerage firm, in connection with the bond work on the new Bay Bridge. [REDACTED] long-time Treasurer of the State, has denied this, as have the senior partners of Alex Brown. But the investigation has uncovered very suspicious circumstances at Alex Brown shortly before the payment is alleged to have been made.

In addition we have information that two other individuals, may have made direct payments to Governor Agnew: businessman [REDACTED] and a [REDACTED]. We also wish to investigate the Vice-President's involvement in the [REDACTED] development in [REDACTED].

4. Several matters must be pursued, not for the purpose of adding counts to any potential indictment but in order to prove certain transactions that would be very helpful at trial. These include transactions that are now barred by the statute of limitations as well as transactions that may be non-criminal but nevertheless probative of

Mr. Agnew's intent, motive, or knowledge.

5. There is a very large number of witnesses whose potential testimony is more or less known to us but must still be established as trustworthy Government witnesses. In some cases, the witnesses themselves have spoken to us but their testimony has not yet been taken under oath. In other cases, the witnesses have not yet chosen to speak to us, but are likely to do so as the investigation proceeds, at least under the formal compulsion of use immunity.

6. There is a large volume of documentary evidence that must still be gathered by Grand Jury subpoena, analyzed, and — where appropriate — either discussed with witnesses, or presented to the Grand Jury, or both.

These records include records of political contributions to Mr. Agnew. In 1966, [REDACTED]

[REDACTED] He has been served with a subpoena that required him to produce all records in his possession, but we have been advised by him and by his attorney that he no longer possesses any such records, having destroyed them several years ago.

[REDACTED] His records have been turned over to us pursuant to subpoena, and are now being examined by IRS agents.

We have also received from the State of Maryland all of Mr. Agnew's campaign contribution records now on file with the State.

They are also now being examined by IRS agents.

7. Several individuals have agreed to plead guilty to a criminal charge in addition to testifying for the Government. We may decide that such individuals should be charged and arraigned and should plead guilty prior to any indictment of the Vice-President in order to formalize and finalize their commitment to cooperate with the investigation.

8. By the final phase of this investigation we should be able to identify most, if not all, of the potential witnesses with knowledge of the relevant transactions. Some of these witnesses, probably only a few, will not choose to be Government witnesses, but will be possible defense witnesses. It will be important to summon all such witnesses before the Grand Jury in order to formalize their testimony. This procedure will serve two functions: it will alert us, prior to any final decisions, to all reasonable discoverable exculpatory testimony with respect to the Vice-President and it will pin potential defense witnesses down to a version of the facts, thus making it more difficult for them subsequently to tailor their testimony to a line of defense that might not be perceived and formulated by the defendant until after indictment.

9. A tax investigation of the Vice-President should be pursued. It would increase the persuasiveness of our case if we could prove by the net worth method that Mr. Agnew diverted to his personal use substantial amounts of the payments from engineers. Although a full third-party net worth investigation might well take more time than we can afford prior to indictment, there are two factors to be noted. First, the Vice-President has thus far indicated a willingness to cooperate with

the investigation and has turned certain financial records over to this office. His attorneys have today tentatively indicated that they will next week turn over to us a large volume of additional documents which were requested in a recent letter from this office. Such cooperation, should it continue, could substantially reduce the time necessary to complete a net worth tax investigation.

Secondly, we could decide to indict the Vice-President for non-tax offenses first and then to continue a tax investigation looking toward the possibility of a subsequent superseding indictment which would add tax charges to the earlier indictment. It seems to us, at any rate, important to begin a third party tax investigation immediately and to pursue it as expeditiously as possible.

10. The Vice-President must be afforded an opportunity to be heard. As we have indicated in a letter to him, we presently contemplate two opportunities, either or both of which can be accepted as his discretion: an opportunity to submit to us a statement, either oral or written, and an opportunity to come to Grand Jury and to answer questions under oath.

11. Certain legal research should be done. In addition to the research necessary for the Attorney General to decide whether or not an incumbent Vice-President can be indicted prior to impeachment -- which research we understand is being done in the Department -- certain research should be done at the conclusion of the factual investigation, into such questions as whether or not the facts support extortion charges (as opposed to or in addition to bribery charges) and into certain questions which might be raised by the statute of limitations.

12. Finally, but significantly, an indictment will have to be drafted. We should not underestimate the magnitude of that task. Our experience indicates that the drafting of an appropriate indictment in a matter of this general nature is a task that requires a significant amount of time and thought.

CHARGES LIKELY TO BE RECOMMENDED

Although at this point in the investigation it is difficult accurately to project the exact charges that will properly fit the facts being developed, we now believe that the following offenses have been committed:

1. conspiracy under the Hobbs Act, 18 U.S.C. 1951;
2. substantive violations of the Hobbs Act, 18 U.S.C. 1951;
3. conspiracy to violate the Travel Act, 18 U.S.C. § 371 and 1952;
4. interstate travel with intent to facilitate bribery and/or extortion, in violation of the Travel Act, 18 U.S.C. § 1952;
5. conspiracy to violate the federal bribery, graft, and conflict of interest statutes, 18 U.S.C. § 371 and 201 et seq.
6. substantive violations of the federal bribery, graft, and conflict of interest statutes, 18 U.S.C. 201 et seq. (see especially 18 U.S.C. §§ 201(c) and 201(g);
7. conspiracy to defraud the United States, 18 U.S.C. § 371;
8. In addition, there may be tax charges.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

UNITED STATES OF AMERICA

v.

CRIMINAL NO. 73-0535

SPIRO T. AGNEW

TRIAL PROCEEDINGS

Baltimore, Maryland
October 10, 1973

Before

HONORABLE WALTER E. HOFFMAN,
United States District Judge,
sitting by special designation.

HORACE P. WEISS
COURT REPORTER
UNITED STATES DISTRICT COURT
NORFOLK, VIRGINIA

23

9/10/30

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Porace P. Weiss
Official Court Reporter
United States District Court
Norfolk, Virginia

Appearances:

For the United States of America:

ELLIOT L. RICHARDSON, ESQ.,
Attorney General of the United States,
HENRY PETERSEN, ESQ.,
Assistant Attorney General for the
Criminal Division,
GEORGE BEALL, ESQ.,
United States Attorney for the District of
Maryland,
BARNET D. SKOLNIK, ESQ.,
Assistant United States Attorney,
RUSSELL T. BAKER, JR., ESQ.,
Assistant United States Attorney,
RONALD S. LIEBMAN, ESQ.,
Assistant United States Attorney.

For the Defendant:

PAUL, WEISS, RIFKIND, WHARTON & GARRISON, ESQS.,
BY: JAY H. TOPKIS, ESQ., of Counsel,
MARTIN LONDON, ESQ., of Counsel,
and
COLSON & SHAPIRO, ESQS.,
BY: JUDAH BEST, ESQ., of Counsel.

1 (The Court convened at 2:04 p.m.)

2 THE COURT: Mr. Beall, before we start the
3 proceeding, may I say to the spectators that you will not be
4 permitted to leave at any time during the course of the
5 proceeding, and there will be no disturbances or outcries
6 of any kind from anyone. If so, the marshals have received
7 instructions to take you into custody.

8 I mention this to you because of the importance
9 of the occasion.

10 If there is anyone who desires to leave the
11 proceedings -- I think they would take probably thirty-five
12 to forty-five minutes.

13 If anyone desires to leave, you are at liberty
14 to leave now.

15 I am advised that Spiro T. Agnew desires at
16 this time to execute a waiver of indictment in open court.

17 Is that correct, Mr. Topkis?

18 MR. TOPKIS: It is indeed, Your Honor.

19 THE COURT: And you have the waiver form?

20 MR. TOPKIS: I do.

21 THE COURT: Mr. Agnew, before executing the
22 waiver of indictment, I am required to advise you that you
23 have a right, under the Constitution of the United States, to
24 require that an indictment be returned against you, charging
25 you with the commission of any crime. Therefore, you should

1 not execute the waiver form unless you do so freely,
2 voluntarily, and with full knowledge of your rights in the
3 matter.

4 Do you fully understand your rights?

5 THE DEFENDANT: I do, Your Honor.

6 THE COURT: All right. If so, you may execute
7 the waiver form in open court.

8 MR. TOPKIS: Your Honor, the waiver has been
9 executed. I have signed it as counsel for the Vice President
10 and my partner, Mr. London, has witnessed it.

11 THE COURT: It may be filed with the Clerk,
12 Mr. Topkis.

13 Now, Mr. Beall, I believe that since the
14 defendant has executed the waiver form in open court, you
15 have a criminal information to file; is that correct? Or
16 is the Attorney General going to file it in your behalf?

17 MR. BEALL: Your Honor, I, as the United States
18 Attorney for the District of Maryland, will file a criminal
19 information.

20 If Your Honor please, before handing the
21 criminal information up to Your Honor, I would merely state
22 at this time that it is my privilege to present the Attorney
23 General of the United States, the Honorable Elliott L.
24 Richardson. Also appearing for the United States in these
25 proceedings are Henry Petersen, Assistant Attorney General

1 for the Criminal Division of the Department of Justice
2 and Assistant United States Attorneys Barnet D. Skolnik,
3 Russell T. Baker, Jr., and Ronald S. Liebman.

4 I now, with Your Honor's permission, will hand
5 up a copy of the criminal information, copies of which
6 have been previously furnished to counsel for --

7 THE COURT: Mr. Topkis, you do have a copy of
8 the criminal information?

9 MR. TOPKIS: We do indeed.

10 THE COURT: And have gone over it with
11 Mr. Agnew?

12 MR. TOPKIS: Yes, we have, Your Honor.

13 THE COURT: Of course, the court reporter has
14 the appearances of counsel for the defendant.

15 The criminal information contains one count,
16 charging a violation of the laws of the United States,
17 alleging evasion of income taxes for the calendar year
18 1967.

19 Mr. Topkis, is the defendant ready for
20 arraignment at this time? And if so, does he desire to be
21 formally arraigned or does he wish to waive formal arraignment?

22 MR. TOPKIS: The defendant is ready, Your
23 Honor, and waives formal arraignment.

24 THE COURT: Mr. Topkis, what plea are you
25 advised does the defendant wish to enter in connection with

1 the charge as stated in the criminal information?

2 MR. TOPKIS: On behalf of the defendant, Your
3 Honor, we lodge a plea of nolo contendere.

4 THE COURT: Mr. Agnew, is that correct and is
5 that your plea?

6 THE DEFENDANT: That is my plea, Your Honor.

7 THE COURT: I am required to advise you,
8 Mr. Agnew, that a plea of nolo contendere is, insofar as
9 this criminal proceeding is concerned today, the full
10 equivalent to a plea of guilty and that, while a plea of
11 nolo contendere may protect you in certain collateral
12 proceedings, it has no bearing upon the disposition of the
13 present case.

14 Do you thoroughly understand the consequences
15 of a plea of nolo contendere?

16 THE DEFENDANT: I do, Your Honor.

17 THE COURT: Thank you.

18 Before accepting the plea of nolo contendere,
19 I am also required to ask you certain questions. If you do
20 not understand a particular question, please do not
21 answer until you have conferred with counsel or, if you
22 prefer, you may direct your questions to me.

23 Do you fully understand the nature and the
24 seriousness of the charge as stated in the criminal
25 information?

1 THE DEFENDANT: I do.

2 THE COURT: Have you had all the time necessary
3 to confer with your counsel as to any possible defenses to
4 the charge as set forth in the criminal information?

5 THE DEFENDANT: I have, Your Honor.

6 THE COURT: Has anyone connected with the
7 federal government in any manner forced you to enter this
8 plea of nolo contendere?

9 THE DEFENDANT: No, Your Honor.

10 THE COURT: Has anyone connected with the
11 federal government persuaded or induced you to enter this
12 plea of nolo contendere?

13 THE DEFENDANT: No one has.

14 THE COURT: Totally aside from any plea
15 agreement, has anyone held out to you any offer of leniency
16 in connection with this matter?

17 THE DEFENDANT: No, sir.

18 THE COURT: Congress has provided by law that a
19 person convicted of federal income tax evasion can be
20 punished by a maximum fine of \$10,000, a maximum term of
21 imprisonment of five years, either or both.

22 Have you been fully advised of the maximum
23 sentence provided by law?

24 THE DEFENDANT: I have been so advised.

25 THE COURT: Do you realize that, by pleading

1 nolo contendere, you are not entitled to a trial by jury;
2 whereas, if you entered a plea of not guilty, you would be
3 entitled to a trial by jury?

4 THE DEFENDANT: I do.

5 THE COURT: Do you realize that, by entering a
6 plea of nolo contendere, the Department of Justice is not
7 required to prove its case beyond a reasonable doubt;
8 that is to say that your plea of nolo contendere is an
9 admission by you that the Department of Justice is
10 possessed of sufficient evidence to prove its case beyond a
11 reasonable doubt?

12 THE DEFENDANT: I do.

13 THE COURT: Do you realize that, by entering a
14 plea of nolo contendere, you waive your rights under the
15 Fifth Amendment with respect to testifying against yourself
16 as the same pertains to the charge as stated in the
17 criminal information?

18 THE DEFENDANT: I do so realize it.

19 THE COURT: I am advised that certain plea
20 negotiations have been entered into between you and your
21 counsel on the one hand, and authorized representatives of
22 the Department of Justice on the other hand. I shall
23 attempt to summarize the details of this agreement as
24 briefly as possible.

25 First, that you have submitted, or contemporane-

1 ously with this proceeding are submitting, your
2 resignation as Vice President of the United States. I
3 want you to know that no federal court could legally
4 require you to take this action although, as I understand
5 the situation, this is a part of the agreement.

6 Secondly, that upon the final disposition
7 of these proceedings today, the Department of
8 Justice will forthwith terminate any other prosecution
9 against you which may involve a federal crime having
10 its inception prior to today, but this does not mean
11 that your name may not be mentioned in proceedings
12 involving other individuals.

13 It merely means that you will not be named
14 as a defendant in any federal criminal proceeding having
15 its inception prior to today.

16 It does not affect the right of the
17 federal government to proceed against you in a civil
18 action; nor does it prohibit any State or
19 organization from taking civil or criminal action against
20 you.

21 Thirdly, that your counsel and the Attorney
22 General of the United States will recommend to the Court
23 that a sentence be imposed which will place you on
24 probation, without supervision unless otherwise ordered by
25

1 the Court, for such period of time as the Court may determine
2 as provided by law, and that you may be fined an amount
3 to be determined by the Court as provided by law.

4 These, I believe, gentlemen, are the basic
5 elements of the plea agreement. If I have omitted any
6 details, I am certain that counsel will call the same to my
7 attention.

8 Mr. Agnew, do you thoroughly understand the
9 plea agreement and do you now ratify and approve the same?

10 THE DEFENDANT: I do so, and I understand it.

11 THE COURT: Thank you, Mr. Agnew, and you may
12 resume your seat.

13 Subject to further proceedings, I will accept
14 your plea of nolo contendere.

15 Now, Mr. Topkis, I shall be pleased to hear
16 from you, with respect to the plea agreement, any
17 amplification of it, if any, your comments with respect to
18 any recommendation, and any other remarks that you wish to
19 make in behalf of the defendant.

20 MR. TOPKIS: I will be very brief, Your Honor.

21 I will begin by advising the Court that at
22 2:05 p.m. there was delivered into the Office of the
23 Secretary of State a letter, subscribed by the Vice President,
24 in which he resigns his Office.

25 I would further say to the Court that the

1 discussions and the agreement which we reached in those
2 discussions are reflected in the proceedings that have
3 taken place up to now in this court this afternoon; namely,
4 the filing of a one-count information relating to tax
5 charges for the year 1967, the waiver by the Vice President
6 of any right to a grand jury inquiry, and his plea of nolo
7 contendere, which I have advised him means literally, "I
8 choose not to defend."

9 Further, and finally, we have agreed with the
10 Attorney General that the government and counsel for the
11 defense would jointly waive any presentence investigation
12 so that it will be possible for the Court to proceed
13 expeditiously to the imposition of any sentence.

14 One final thing, Your Honor.

15 It was agreed that the government would be
16 free to submit to the Court an outline of the evidence it
17 believed to have in its possession, and it was further
18 agreed that the Vice President would have an opportunity to
19 comment on that evidence, once the government had
20 concluded.

21 I think that embraces the full understanding
22 of the terms of our agreement.

23 THE COURT: Thank you, Mr. Topkis.

24 I believe,--

25 MR. TOPKIS: Thank you.

1 THE COURT: -- Mr. Richardson, as Attorney
2 General of the United States, I believe that you have some
3 comments with respect to the recommendation of the
4 Department of Justice, as well as a statement you intend to
5 file.

6 MR. RICHARDSON: Thank you, Your Honor.

7 May it please the Court, I am, like every
8 other participant in these proceedings, deeply conscious
9 of the critical national interests which surround them.

10 The agreement between the parties now before
11 the Court is one which must be just and honorable, and
12 which must be perceived to be just and honorable not simply
13 to the parties but, above all, to the American people.

14 From the outset of the negotiations which have
15 culminated in these proceedings, the Department of
16 Justice has regarded as an integral requirement of any
17 agreement a full disclosure of the surrounding circumstances,
18 for only with knowledge of these circumstances can the
19 American people fairly judge the justice of the outcome.

20 One critical component of these circumstances,
21 as Mr. Topkis has mentioned, is the government's evidence.

22 In accordance therefore with the agreement of
23 counsel, I offer for the permanent record of these proceedings
24 an exposition of the evidence accumulated by the investigation
25 conducted by the Office of the United States Attorney for the

1 District of Maryland as of October 10, 1973.

2 Because this exposition is complete and
3 detailed, it is sufficient for present purposes simply to
4 state that this evidence establishes a pattern of
5 substantial cash payments to the defendant during the
6 period when he served as Governor of Maryland in return for
7 engineering contracts with the State of Maryland.

8 Payments by the principal in one large
9 engineering firm began while the defendant was County
10 Executive of Baltimore County in the early 1960's and
11 continued into 1971.

12 The evidence also discloses payments by
13 another engineer up to and including December 1972.

14 None of the government's major witnesses has
15 been promised immunity from prosecution and each of the
16 witnesses who would testify to having made direct payments
17 to the Vice President has signed a sworn statement subject
18 to the penalties of perjury.

19 // In the light of the serious wrongdoing shown
20 by its evidence, the government might have insisted, if
21 permitted by the Court to do so, on pressing forward with
22 the return of an indictment charging bribery and extortion.
23 To have done this, however, would have likely inflicted
24 upon the Nation serious and permanent scars. It would have
25 been the defendant's right to put the prosecution to its

1 proof.

2 The Department of Justice had conceded the
3 power of Congress, once an indictment had been returned,
4 to proceed by impeachment. The Congress could well have
5 elected to exercise this constitutional power. If the
6 Congress chose not to act, the defendant could, while
7 retaining office, either have insisted upon his right to
8 a trial by jury or have continued to contest the right of
9 the government to try an incumbent Vice President. Whichever
10 of these courses were followed, it would have consumed not
11 simply months but years, with potentially disastrous
12 consequences to the vital interests of the United States.
13 Confidence in the adequacy of our fundamental institutions
14 would itself have been put to severe trial. It is
15 unthinkable that this Nation should have been required to
16 endure the anguish and uncertainty of a prolonged period in
17 which the man next in line of succession to the presidency
18 was fighting the charges brought against him by his own
19 government.

20 On the basis of these considerations, I am
21 satisfied that the public interest is better served by
22 this Court's acceptance of the defendant's plea of nolo
23 contendere to a single-count information charging income
24 tax evasion.

25 There remains the question of the government's

1 position toward the sentence to be imposed.

2 One possible course would have been to avoid
3 this difficult and painful issue by declining to make an
4 affirmative recommendation. It became apparent, however, in
5 the course of the negotiations that, without such a
6 recommendation, no agreement could be achieved. No agreement
7 could have been achieved, moreover, if that recommendation
8 did not include an appeal for leniency.

9 I am firmly convinced that, under all the
10 circumstances, leniency is justified. I am keenly aware,
11 first, of the historic magnitude of the penalties inherent
12 in the Vice President's resignation from his high Office
13 and his acceptance of a judgment and conviction for a felony.
14 To propose that a man who has suffered these penalties
15 should, in addition, be incarcerated in a penal institution,
16 however brief, is more than I, as head of the government's
17 prosecutable arm, can recommend or wish.

18 Also deserving of consideration is the public
19 service rendered by the defendant during more than four
20 and one-half years as the Nation's second highest elected
21 official. He has been an effective spokesman for the
22 Executive Branch in the councils of state and local government.
23 He has knowledgeably and articulately represented the United
24 States in meetings with the heads of other governments. He
25 has participated actively and constructively in the

1 deliberations of the government in a diverse range of
2 fields.

3 Out of compassion for the man, out of respect
4 for the Office he has held, and out of appreciation for the
5 fact, by his resignation, he has spared the Nation a
6 prolonged agony that would have attended upon his trial, I
7 urge that the sentence imposed on the defendant by this
8 Court not include confinement.

9 THE COURT: Thank you, Mr. Richardson.

10 Gentlemen, do I understand that, other than the
11 Vice President's statement which he desires to make at the
12 time of allocution, there is no desire on the part of either
13 side to present evidence as such?

14 MR. RICHARDSON: That is correct.

15 MR. TOPKIS: That's correct, Your Honor.

16 THE COURT: Under a plea of nolo contendere,
17 of course, it is not even necessary for the Court to receive
18 a factual basis for that plea. It differs from a plea of
19 guilty to that extent.

20 And do I understand that there is agreement
21 that each side waives the benefit of any presentence
22 report?

23 Mr. Topkis mentioned that. And I take it
24 that is true as far as the government is concerned.

25 MR. RICHARDSON: Yes, it is, Your Honor.

1 THE COURT: Mr. Agnew, at this time I will
2 afford you the opportunity of making any comments you desire
3 to make prior to sentencing.

4 THE DEFENDANT: Thank you, Your Honor.

5 May I say, at the outset, I want to express
6 my appreciation for the courtesy and cooperation extended to
7 me through my counsel in their deliberations with the
8 prosecutors and throughout the consultations on this matter.

9 My decision to resign and enter a plea of
10 nolo contendere rests on my firm belief that the public
11 interest requires a swift disposition of the problems which
12 are facing me. I am advised that a full legal defense of
13 the probable charges against me could consume several years.
14 I am concerned that intense media interest in the case would
15 distract public attention from important national problems
16 to the country's detriment.

17 I am aware that witnesses are prepared to
18 testify that I and my agents received payments from
19 consulting engineers doing business with the State of
20 Maryland during the period I was Governor.

21 With the exception of the admission that
22 follows, I categorically deny the assertions of illegal
23 acts on my part made by government witnesses.

24 I admit that I did receive payments during the
25 year 1967 which were not expended for political purposes and

1 that therefore these payments were income, taxable to me
2 in that year, and that I so knew.

3 I further acknowledge that contracts were
4 awarded by state agencies in 1967 and other years to those
5 who made such payments and that I was aware of such awards.
6 I am aware that government witnesses are prepared to
7 testify that preferential treatment was accorded to the
8 paying companies pursuant to an understanding with me when
9 I was Governor. I stress, however, that no contracts were
10 awarded to contractors who were not competent to perform the
11 work and, in most instances, state contracts were awarded
12 without any arrangement with the payment of money by the
13 contractor.

14 I deny that the payments in any way influenced
15 my official actions. I am confident, moreover, that
16 testimony presented in my behalf would make it clear that I
17 at no time conducted my official duties as County Executive
18 or Governor of Maryland in a manner harmful to the interests
19 of the county or state or my duties as Vice President of the
20 United States in a manner harmful to the Nation; and I
21 further assert that my acceptance of contributions was part
22 of a long-established pattern of political fund-raising
23 in the state. At no time have I enriched myself at the
24 expense of my public trust.

25 In all the circumstances, I have concluded

1 some persons will criticize the result and the sentence to be
2 imposed but, in a case such as this, it would be impossible
3 to satisfy everyone.

4 Once the agreement was reached between the
5 parties, it had to be submitted to the Judge for his approval
6 or disapproval. It was late yesterday afternoon when I
7 learned the final details of the negotiations. I insisted
8 that all details of the negotiations would have to be
9 submitted in open court and in the presence of the defendant
10 before any formal approval or disapproval could be given.
11 Such has now been accomplished and it becomes my duty to
12 proceed.

13 Any judge must accept the final responsibility
14 as to any sentence, but this does not mean that he should
15 disregard the negotiations and advices of the parties who
16 are far more familiar with the facts, the national
17 interests, and the consequences flowing from any sentence
18 to be imposed.

19 As far as the Court is involved, the defendant
20 is on trial for willful evasion of income taxes for the
21 calendar year 1967, which charge is a felony in the eyes of
22 the law. He has entered a plea of nolo contendere which,
23 so far as this criminal prosecution is concerned, is the
24 full equivalent of a plea of guilty. Such a plea is
25 frequently accepted in income tax evasion cases as there are

1 generally civil consequences flowing therefrom, and the
2 criminal court is not interested in the precise amount of
3 taxes which may be due. The plea of nolo contendere merely
4 permits the parties to further litigate the amount due
5 without regard to the conviction following such a plea.

6 A detailed statement has been filed by the
7 Department of Justice and refuted by the defendant, all of
8 which are wholly unrelated to the charge of income tax
9 evasion. These statements are the part of the understanding
10 between the parties and are submitted merely because of the
11 charges and countercharges which have received so much
12 advance publicity. Of course, the agreement further
13 provides that the federal government will take no further
14 action against the defendant as to any federal criminal
15 charge which had its inception prior to today; reserving
16 the right to proceed against him in any appropriate civil
17 action for moneys allegedly due. Furthermore, neither this
18 Court nor the Department of Justice can limit the right of
19 any state or organization to take action against the
20 defendant. Since the Department of Justice, pursuant to
21 its agreement, will be barred from prosecuting the
22 defendant as to any criminal charge heretofore existing,
23 the truth of these charges and countercharges can never be
24 established by any judicial decision or action. It would
25 have been my preference to omit these statements and end the

1 verbal warfare as to this tragic event in history, but I am
2 not inclined to reject the agreement for this reason alone.

3 There is a fundamental rule of law that every
4 person accused of a crime is presumed to be innocent until
5 such time as the guilt is established beyond a reasonable
6 doubt. It is for this reason that I must disregard, for
7 the purpose of imposing sentence, the charges, countercharges
8 and denials which do not pertain to the single count of
9 income tax evasion. I have so advised counsel for the
10 parties and they are in agreement that this is my duty.

11 We come then to the charge of income tax
12 evasion which, as I stated, is a felony and a most serious
13 charge in itself. In approving the plea agreement between
14 the parties, I have not overlooked my prior writings and
15 sentences in other income tax cases. Generally speaking,
16 where the defendant is a lawyer, a tax accountant, or a
17 business executive, I resort to the practice of imposing a
18 fine and a term of imprisonment, but provide that the
19 actual period of confinement be limited to a period of
20 from two to five months, with the defendant being placed on
21 probation for the balance of the term. The reason for taking
22 such action is that our method of filing income tax returns
23 is fundamentally based upon the honor of the individual
24 reporting his income, and a sentence of actual confinement
25 serves as a deterrent to others who are required to file

1 their returns.

2 But for the strong recommendation of the
3 Attorney General in this case, I would be inclined to follow
4 the same procedure. However, I am persuaded that the national
5 interests in the present case are so great and so compelling --
6 all as described by the chief law enforcement officer of the
7 United States -- that the ends of justice would be better
8 served by making an exception to the general rule.

9 I, therefore, approve the plea agreement
10 between the parties.

11 Mr. Agnew, would you stand. And may I ask,
12 do you have any further comment you would like to make
13 before sentence is imposed?

14 THE DEFENDANT: I have no further comment,
15 Your Honor.

16 THE COURT: It is the judgment of this Court
17 that imposition of any sentence be suspended for a period
18 of three years, conditioned that you, Spiro T. Agnew, at
19 all times will be of uniform good behavior, that you will
20 not violate the laws of the United States or any state;
21 that, as a further condition of this probation, you are to
22 pay a fine in the sum of \$10,000 within thirty days from
23 this date or otherwise stand committed for nonpayment of
24 said fine; and that you shall not be required to be under
25 the supervision of the Probation Officer of this court unless

1 otherwise ordered by the Court.

2 May I say, gentlemen, in a related matter,
3 Civil Action No. 73-965, I have a multitude of motions.
4 This was the proceeding filed by the present defendant in
5 this case, through his counsel, with respect to certain
6 constitutional questions and also the question of leaks from
7 the news media, et cetera, allegedly from the Department of
8 Justice. Many of these motions are now moot. I will recite
9 them: A motion of Richard Cohen, et al; a motion of
10 Nicholas Gage, et al; a motion of Ronald Surro and Robert
11 Walters; a motion of Time, Incorporated, and Sandy Smith;
12 a motion of Ronald Nessen; a motion of William Sherman; a
13 motion of Stephen Leshner.

14 These motions, I believe, are now moot. All
15 prior directions and subpoenas for certain individuals to
16 report for a deposition tomorrow morning are cancelled. The
17 depositions scheduled for today were previously cancelled.

18 I also have a motion to intervene by the
19 Washington Post, Incorporated. I frankly have not had
20 sufficient time to review it. I assume that it is merely
21 a rehash of the same proceedings. I will deny it, subject
22 to the right of the Washington Post to show me to the
23 contrary, in view of the fact that the matter is now moot.

24 There is a motion to intervene filed by one
25 John Banzhoff. That motion is denied and an opinion will

1 follow. It is in the course of being typed at this time.

2 Mr. Richardson, Mr. Beall, do you gentlemen
3 have anything further?

4 MR. RICHARDSON: Nothing further, Your Honor.

5 THE COURT: Mr. Topkis, Mr. London, Mr. Best?

6 MR. TOPKIS: We do not, Your Honor.

7 MR. LONDON: We have nothing further.

8 THE COURT: The case has been assigned
9 Criminal Action No. 73-0535.

10 If there is nothing further, the court will
11 adjourn until tomorrow morning at ten o'clock.

12
13 (Thereupon, the Court adjourned at 2:47 p.m.)

14
15 I certify that the foregoing 24 pages are
16 a true and correct transcript of my
17 Stenotype notes.

18 
19 Horace P. Weiss
20 Official Court Reporter
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Public Doc

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SUPPLEMENTAL CHARGE

TO

GRAND JURY

Baltimore, Maryland
October 3, 1973

Before HONORABLE WALTER E. HOFFMAN,
United States District Judge,
sitting by special designation.

HORACE P. WEISS
COURT REPORTER
UNITED STATES DISTRICT COURT
NORFOLK, VIRGINIA

File P-9

414 21

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Before HONORABLE WALTER E. HOFFMAN,
United States District Judge,
sitting by special designation.

(The Court convened at 10:45 a.m.)

THE COURT: Ladies and gentlemen of the grand jury, if you will please answer to your names as they are called.

(Thereupon, the names of the grand jurors were called.)

THE COURT: Eighteen present.

Ladies and gentlemen of the grand jury, I have directed that you appear before me today for the reason that I have been designated, in accordance with law, to preside over any matters which may arise during your consideration of the evidence now being brought to your attention involving certain alleged criminal activities on the part of one or more individuals. As you already may know, I am Judge Hoffman from the Eastern District of Virginia but, having received the appropriate designation as required by law, I am a United States District Judge for the District of Maryland as far as these proceedings may be involved.

Since my designation, and perhaps prior thereto, I have noted with great reluctance that the news media have caused many articles, statements and newscasts to be issued. While I am confident that Judge Blair, who originally charged you when you initially were convened, probably mentioned that you should hear and determine matters

1 coming before you, without regard to anything you may have
2 heard or seen by reason of the news media, I think that you
3 should be reminded again of same. As you know, you are sworn
4 to secrecy as to any matters brought to your attention
5 while sitting as grand jurors and, insofar as I am aware,
6 you have adhered strictly to this oath of secrecy. To what
7 extent, if any, the news media have attempted to obtain
8 information from you, I do not know. I congratulate you for
9 adhering to your oath of secrecy and only request that you
10 continue to do so, even after you have completed your
11 deliberations and have been discharged.

12 Because of the fact that it has been several
13 months since you were charged by Judge Blair, I deem it
14 appropriate to remind you of your duties and powers, even
15 though it may be repetitious in nature.

16 You have been impaneled, pursuant to federal
17 law, as an arm of the court to inquire into the commission
18 of offenses against the laws of the United States. Under the
19 Fifth Amendment to the Constitution of the United States, no
20 person can be brought to trial for a capital or otherwise
21 infamous crime except on a presentment or indictment of a
22 grand jury. An indictment is a written accusation of crime
23 submitted by the prosecutor to the grand jury, which is
24 found by the grand jury to be "A True Bill."

25 A presentment is an accusation initiated by the

1 grand jury itself, as a result of its own knowledge or
2 information, or on information from others. It cannot form
3 the basis of a prosecution, but must be followed by an
4 indictment. In reality, a presentment is merely a direction
5 that a formal indictment be presented.

6 The oath which you previously took tends to
7 prescribe your duties in that you are to "diligently
8 inquire, and true presentment make, of all such matters
9 and things as shall be given you in charge, or otherwise
10 come to your knowledge, touching the present service."
11 Of course, this means knowledge brought before you by
12 credible witnesses appearing before you and testifying;
13 it does not mean knowledge acquired through the news media
14 or any other source.

15 It is not your function to determine the
16 ultimate guilt or innocence of a person under investigation.
17 You are a jury of inquiry and accusation. You ascertain
18 whether a person should be put upon trial and, if you think
19 that he should be tried, then you accuse him of the crime or
20 crimes by returning an indictment against him marked "A True
21 Bill." If you think that the credible evidence is
22 insufficient to require the person to be put upon his trial,
23 then you either mark an indictment "Not A True Bill" or
24 otherwise do not report any action against that person.

25 The underlying purpose of a grand jury is

1 twofold: In the first place, you constitute a bulwark of
2 protection to our citizens in that it is your duty to see
3 that no one is put upon his trial for a frivolous or
4 ill-founded charge, or merely because the person has been
5 subjected to undue publicity; in the second place, you are a
6 protection to the United States in that it is your duty to
7 present or indict in cases where the commission of crime is
8 brought to your knowledge by credible evidence before you,
9 and this is true irrespective of whether or not the law
10 enforcement officers of the United States have preferred
11 charges. Of course, you are not concerned with any violation
12 of the laws of the State of Maryland except to the extent
13 that evidence of such violation might be relevant to a
14 federal statute, but you are charged with the duty of
15 diligently inquiring into the violation of the criminal laws
16 of the United States, that is, federal crimes committed or
17 triable within the District of Maryland. For your purposes,
18 you are not concerned with whether a person is immune from
19 indictment or trial.

20 You are not concerned with the policy of any
21 law. Congress makes that policy. Nor are you concerned
22 with whether any other person may have committed a like
23 criminal act and avoided prosecution. After a law is
24 enacted it is every person's duty to conform his acts to it.
25 All are equal under the law, but no one is above it.

1 You should not return an indictment as "A True
2 Bill" upon mere suspicion or if the evidence be merely
3 sufficient to render the truth of the charge probable. You
4 should return an indictment as "A True Bill" -- and this
5 is the test to apply -- if you are convinced that the
6 credible evidence before you, if unexplained and
7 uncontradicted, would warrant a conviction by a trial jury.
8 You need not hear all of the witnesses summoned, but only
9 enough to convince you to the extent that I have just
10 mentioned.

11 Every indictment which you return reflects
12 the existence of probable cause. And probable cause exists
13 only when there is competent credible evidence, direct or
14 circumstantial, presented before you in your grand jury
15 room which leads you, as reasonable persons, to believe that
16 the accused person is guilty of the offense charged.

17 Hearsay testimony, that is, testimony as to
18 facts not known by a particular witness of his own
19 personal knowledge, but told to him by others, may be
20 considered by you if you deem it to be thoroughly reliable
21 but, if you are in doubt as to the reliability of any
22 hearsay testimony, you may insist that the prosecutor
23 produce the witness or witnesses to substantiate the
24 essential facts. Of course, a written or oral statement
25 made by a person under investigation for the violation of one

1 or more federal crimes is not hearsay evidence if the
2 statement is testified to by one who heard the person under
3 investigation make the same. Statements made by a person
4 under investigation when not before the grand jury cannot be
5 considered unless a witness testifies with respect to same.
6 If there is competent credible testimony establishing
7 probable cause, the fact that there also may be hearsay
8 testimony becomes unimportant. But there must be before you
9 some competent credible testimony establishing probable
10 cause to render proper the finding of "A True Bill." It
11 would be a tragedy to the cause of the administration of
12 justice if grand jurors returned an indictment marked "A
13 True Bill" merely because the jurors may have heard or seen
14 comments by the news media.

15 Since you already have been in session for
16 several months, I will not repeat the duties of your
17 Foreman and Deputy Foreman; nor will I discuss the function
18 of the United States Attorney or any other prosecutor except
19 to emphasize the fact that the prosecutor has no right to
20 influence you in making your final determination as to
21 whether an indictment should be returned as "A True Bill."
22 If there is any indication that the prosecutor is
23 attempting to influence your vote, other than through the
24 orderly presentation of evidence, the matter should be brought
25 to the attention of the court.

1 You have also been told that a unanimous vote
2 in favor of returning an indictment as "A True Bill" is not
3 necessary. It is necessary that at least twelve of your
4 number vote in favor of indicting before an indictment can
5 be returned by you as "A True Bill." If fewer than twelve
6 of your number vote for the return of an indictment, such
7 indictment should be endorsed "Not A True Bill," and this
8 is true even though the number voting for the indictment
9 may be a majority of the number actually voting. Always
10 record the affirmative vote, but not the names of the jurors
11 and how they individually voted.

12 It is possible that you may have voted, in
13 political campaigns, for or against one or more of the
14 persons who may be under investigation. This fact is
15 entirely immaterial to your determination as to what you
16 should do in a given case. Your service as grand jurors is
17 not a part of the political arena.

18 Since you have been permitted to go to your
19 homes and, in general, carry on your normal business affairs
20 except while serving as grand jurors, it would be an insult
21 to your intelligence to inquire as to whether you have seen
22 or heard anything concerning the party or parties under
23 investigation. Obviously, you have. We are rapidly approaching
24 the day when the perpetual conflict between the news media,
25 operating as they do under Freedom of Speech and Freedom of

1 the Press, and the judicial system, charged with protecting
2 the rights of persons under investigation for criminal
3 acts, must be resolved. You are not concerned with the
4 sources of the information disseminated by the news media.
5 It is because I have learned, over a period of twenty years
6 as a judge and an additional twenty-three years as an
7 attorney, that the news media frequently are wholly or
8 partially inaccurate, that I must warn you to disregard
9 totally any comments you have seen or heard from any source,
10 save and except what you have heard or seen in your grand
11 jury room while in official session.

12 The news media are integral and necessary parts
13 of our lives. My relationship with them has been generally
14 good. I know that there are reporters and editorial writers
15 who insist upon checking the facts before making any
16 comment but, unfortunately, in the present-day grab for
17 priority in getting news items, the news media frequently
18 overlook the rights of others, especially where criminal
19 matters are involved.

20 In closing, may I urge you to consider only
21 the credible evidence presented to you in your grand jury
22 room. If you follow this admonition, you will have
23 fulfilled properly your duties as grand jurors, irrespective
24 of the result or final outcome.

25 If any one of you feels that you cannot abide

1 by this supplemental charge because you feel that your mind
2 has been improperly influenced by the news media, or any
3 other source beyond the credible evidence presented in the
4 grand jury room, you should advise me promptly to this effect.

5 You may at this time retire to resume your
6 deliberations, ladies and gentlemen.

7 As a personal note, I will be in Baltimore until
8 about one today. I plan to return to Norfolk. I have made
9 arrangements to be here at such time as I may be required to
10 be here, but I think you will agree with me that I would be
11 wasting the government's money to sit up here in Baltimore.
12 I don't have anything to do with what goes on in your grand
13 jury room, and don't even know what goes on in your grand
14 jury room and, frankly, don't want to know what goes on in
15 your grand jury room.

16 But just to show you how inaccurate the press is,
17 I saw in the paper this morning that I was coming up here
18 to take charge of the investigation.

19 Well, I appreciate the compliment, but I must
20 say that I have nothing to do with the investigation at all.
21 However, if I am needed at any time, while I can't get up
22 here on a moment's notice, I can arrange to get up here, of
23 course, the following day, and I will be here until one
24 o'clock today, in the event there are any particular
25 questions that you ladies and gentlemen may have to take up

1 with me.

2 You may retire at this time.

3 (Thereupon, the grand jury retired to the
4 grand jury room at 11:03 a.m.)

5
6 THE COURT: I suppose the press wants to get
7 my comments; and with respect to everything except the very
8 last paragraph, where you gentlemen accused me of taking
9 charge of the prosecution and investigation of the case,
10 the rest of it was verbatim, and after I have recessed,
11 arrangements will be made to give you copies.

12 The Court will be in recess.

13
14 (Thereupon, the Court recessed at 11:04 a.m.)

15
16 I certify that the foregoing 11 pages are
17 a true and correct transcript of my
18 Stenotype notes.

19
20

Horace P. Weiss
Official Court Reporter

UNITED STATES GOVERNMENT

Memorandum

"Crimref." *[initials]*
DEPARTMENT OF JUSTICE

TO : The Attorney General

DATE: September 19, 1973
GB:ddf

[Signature: George Beall]
FROM: George Beall
United States Attorney
District of Maryland

SUBJECT: Meeting with Counsel for the Vice President

At 11:25 a.m., on September 18, 1973, a meeting was held in the Attorney General's office. Present at that meeting, in addition to Mr. Richardson, were Assistant Attorney General Petersen, United States Attorney Beall and two attorneys for the Vice President, namely, Mr. London and Mr. Best.

Mr. Richardson began by stating that he had a letter which sets forth the essential understanding of the Government as to the "footing" on which any subsequent negotiations will stand. He asked that other counsel review that letter as a predicate to beginning negotiations.

Mr. Best and Mr. London read the original of the letter.

Mr. London said that while "we have already discussed the whole notion" of establishing a basis for the negotiations, he did not understand the necessity for a letter. He said that he saw no difficulty in having the negotiations proceed in good faith on the assumption that whatever was said by he and his colleagues would never be used against his client and that whatever was said by representatives of the Government would not be used against it.

Mr. Richardson said that he thought that, while the lawyers could deal in good faith, it was imperative that the clients not think they were in a position to reveal the substance of the negotiations at a later time to the extent that they might be inconsistent with the "essential understanding" which the letter contains.

Mr. London said the principal consideration in his client's mind with respect to a plea was to avoid the "embarrassment to himself and to the office of the vice presidency" which would come from a prolonged trial involving "allegations of manifold wrongdoing." This was a significant motive for entering the negotiations, but he

thought that, when the letter spoke of "a full disclosure in open court of the evidence developed by the investigation," this would be "counterproductive."

Mr. Petersen indicated that the purpose of a full statement was to make crystal clear to the public the fact that at this point in history the "peoples' interest" was being fully and adequately represented as to the putative defendant. None of us should deny the historic nature of this case; neither should we foreclose later proceedings where questions will be asked about our motivations. There are "political pressures" which necessitate taking care as to how and in what manner we proceed. To the extent that it could be said in the future that their client was treated differently than another defendant, there must be a complete record of the proceedings. We want to avoid attacks on this point.

Mr. London said that his client also did not want to be attacked.

Mr. Petersen said that there is a possibility that his client could be the attacker six months hence after his attorneys have been removed.

Mr. London said that he could not stop that.

Mr. Richardson said that "we for the Government are convinced of the need for the letter and its contents." This is a situation where whatever else occurs, the stepping down of the Vice President is a portentous step in the history of this Government. The result of that action and acceptance of a conviction and judgment must be perceived in the public as just. He said that he was prepared to face the attacks from those who say that the Government has been too lenient or from those who say that a man they admired so much could not possibly be guilty of criminal conduct; but he did not want to "hold down with one hand" elements of the Government's case which were not disclosed, but which would be uncovered by an inquiring reporter who would quite properly be investigating the proceedings as someone who would "pick at a scab." He indicated that everyone had already seen in the press suggested motivations for the Government's proceeding with the investigation spelled out. He said that beyond the interest of their client and the self-interest of anyone connected with the investigation,

September 19, 1973

there was also the President. He should not be perceived as "railroading the Vice President out of his job" when this has not been the case. It was essential, therefore, that the Vice President not be in a position of being able to walk out of the courtroom, hold a press conference and suggest that, while denying all guilt, he was forced to step down. The only way to avoid that contingency is for him to acknowledge in open court the substance of the Government's case.

Mr. Richardson said that this acknowledgment did not preclude him from making whatever statement or explanation that he wanted. This is within his control, just as the Government's statement is within our control. He said that these two statements were indispensable to everyone.

Mr. Best raised a question as to what was meant by continuing with the investigation. He was concerned that if the grand jury was continuing to take testimony "the pot would bubble up in some other way."

Mr. Richardson explained that we mean that the general investigation will go on during all negotiations because of such problems as the statute of limitations of which counsel were well aware. This is essential because their client may decide at anytime "to scrap negotiations." Mr. Richardson said that while the Government will continue to minimize the risks of publicity by not presenting to the grand jury central witnesses, the Government cannot suspend the investigation entirely.

Mr. Best said that he would not expect the Government to do so, but suggested that if we "cut a deal," it will be done fast, probably within the next week. For that reason he requested that the Government not present any substantive testimonial evidence with respect to his client until next Wednesday (September 26, 1973).

Mr. Beall said that the grand jury was scheduled to meet again this Thursday, September 20, 1973, and that witnesses with respect to the general Baltimore County investigation were to appear. There was the possibility and perhaps likelihood that these witnesses may be giving information with respect to their client.

Mr. Best said that this was not a problem, but that proceeding with major witnesses and with investigation of Mr. Jones before next Wednesday could inhibit the negotiations.

Mr. Beall said that, while the Government could agree to this short interruption in the investigation, we did not intend to suspend investigation outside the grand jury, including the issuance of subpoenas to third parties in connection with, for example, the income tax investigation.

Mr. Best said that he understood this and was not asking the Government to take that step.

Mr. Richardson stated that the kind of charge against their client and the type of plea that he enters become viable on the basis of adequate disclosures. We put the disclosures first, because but for complete statement of the Government's case, it would be proportionately more important for the Government to include more charges and insist on a different kind of plea.

Mr. London asked what the Government wanted to say in making the disclosures and asked to see a copy of this proposed statement.

Mr. Beall said that the Government could not at this point give him a "full script" of the statement. We do not think that is necessary at the present time and we think it would be to the Government's substantial disadvantage, should their client later decide not to strike a satisfactory plea bargain.

Mr. Petersen said that essentially the Government wanted a recitation of sufficient facts to support the charge of conspiracy to bribe.

Mr. Richardson said that the Government expected to avoid "conclusory language" or "statements of law," so long as there is a statement of the "Government's prima facie case." Once the Government has established this latitude, we will not undertake to control his client's statement as to his version of the facts, so long as he acknowledges the truth of essentials. Mr. Richardson said he could visualize a situation in which some mutual editing may occur, but this is probably an "ultimate result" and that they should not expect the Government to lay out its case in any kind of specificity as a negotiating document.

Mr. London said he would assume that we are not talking about a document of 20 pages.

Mr. Petersen said he should not make such an assumption. The length of the statement is something to be determined at a later time.

Mr. London said that, if our statement is so important to the "package," why not give it to him? His client would then be in a position to "plead guilty to all the charges."

Mr. Richardson said that we have a summary of the evidence as of the present which is a "longer document" than we would expect to use to make the "bare exposition of the substance of the testimony." An important consideration for him was the kind of record on which everyone would be judged in the future. He said that we needed to be able to look at this the day after disposition in such a way as to be able to defend the result.

Mr. Best inquired as to whether the Department of Justice would feel compelled to acknowledge facts which were not stated should these facts become known at a later time.

Mr. Richardson said that "I am sure not going to stand mute to new charges of Watergate." For resolution are the questions of what is full disclosure and how to deal with it. We are not at the stage where the defense is entitled to a bill of particulars or prosecutorial discovery. From the standpoint of the prosecution we must have an eye on the degree of disclosure should negotiations abort. He said that we could, as an illustration of the kinds of facts that we were talking about, write out one page which would furnish counsel the "flavor" and "degree of completeness" that we have in mind.

Mr. London asked again why the Government was insisting on the letter.

Mr. Richardson said it was to avoid the "danger of being trapped." Mr. Richardson said that, "while we can haggle over the language of the letter, we cannot put the letter aside." In response to Mr. London's question as to how the Government could be trapped, Mr. Richardson said that the letter is an insurance policy against risks.

There was a substantial chance that the Attorney General would be accused of trying to "suck the Vice President into a modest charge to get him to resign all contrary to his best interest." That risk was to be minimized.

Mr. Best indicated that he would like to take the letter with him and to "rework it." He indicated that Mr. Topkis was out of town until late today and would not be back in time for any fruitful discussions. He said that he would like to be able to get back in touch with Mr. Richardson tomorrow morning.

Mr. London said that he agreed with the Attorney General's position "in principle" with respect to the letter and that they have never thought that there would be no statement by the Government.

The Attorney General indicated that another consideration was the response that Judge Hoffman might make. The Judge must be advised of the essentials of the Government's case so that he would understand the basis for any ultimate understanding that the parties might reach. He said that for the present we need to set the footing on which we proceed, that is "clarify the negotiating parameters."

Mr. Best said that his client would be willing to plead nolo contendere to one tax count.

Mr. Petersen said that this is one count that the Government was not prepared factually to agree to at the present time because the investigation was incomplete on this point. The Government must have a count that reflects the conduct of their client. The Government would prefer a bribery or extortion count.

Mr. Richardson said that the Government would be prepared to work out a joint approach to Judge Hoffman to maximize the possibility of determining his attitude toward the facts and any recommended disposition. He said further that, with respect to a nolo plea, our demand for acknowledgment of some of the essentials of our case and their client's retort would affect our attitude toward acceptance of such a plea.

Mr. London asked whether Judge Hoffman permitted plea bargaining.

Mr. Petersen indicated that, while the Judge is apparently very concerned that everything he does passes muster, he has in the past indicated a willingness to meet with counsel in chambers to give a reaction to a plea bargain. His only aversion is to ex parte conversations with counsel.

Mr. Best asked about the Government's "position on sentence."

Mr. Richardson said that our preferred position is that we will not be asked for a specific recommendation and that the Government will merely recite factors to be taken into account.

Mr. Petersen said that the Government's minimum position would be to suggest that their client be treated on a par with other defendants similarly situated who have agreed to plea.

Mr. Best said he would like the Government to think about a more affirmative statement.

Mr. Richardson responded to this by saying that this was really contingent on the Judge's practice.

Mr. Petersen indicated that he was under the impression that Judge Hoffman usually imposes jail sentences in white-collar crime convictions.

Mr. Best asked if Mr. Petersen would check to see whether the Judge usually asks the Government for a recommendation at the time of sentencing and Mr. Petersen agreed to do so.

Mr. London raised a question about civil tax liability.

The Attorney General said that we really do not know what kind of tax dollars are involved. Mr. Petersen added that the policy of the Department is to not discuss civil liabilities in criminal plea bargaining because of an uncertainty as to the civil exposure. The Attorney General added that there are some unresolved questions as to whether interest can be waived and whether fraud penalties are automatic.

Mr. Best added that "at the present time our client wants to be done with the whole thing."

Mr. Richardson indicated that he would undertake to attempt to find the answers to some of the procedural questions with respect to civil tax liability.

Mr. Best indicated that his client would prefer "for institutional reasons" that any tax charge be based on the year before he assumed the vice-presidency.

Mr. Richardson indicated that "we will think about this."

Mr. Best said that he would be back in touch with the Attorney General tomorrow.

Mr. Beall stated that the Government was most interested in making the record clear that the Government stands ready to furnish their client an opportunity to give his version of the story. One of the persons in the Vice President's office was quoted as recently as today as saying that the Vice President remained most desirous of speaking with the prosecutors, but that the latter had not accepted his offer. I said that it was, as a matter of fairness, important to us that this erroneous impression be alleviated. Mr. London said that he would speak to that person to stop that kind of dissemination. He added that he understood that our office had been furnishing no information whatsoever to the media and he wanted us to be aware of that fact.

The meeting terminated at 1:05 p.m.

cc: Henry E. Petersen
Assistant Attorney General

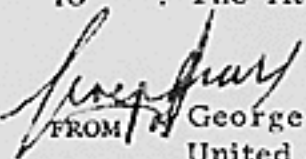
UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF JUSTICE

TO : The Attorney General

DATE: September 27, 1973


FROM : George Beall
United States Attorney
District of Maryland

GB:ddf

10/1/73

SUBJECT: Third Meeting with Counsel for the Vice President

On September 20, 1973, at 12:05 p.m., a meeting was held in Attorney General Richardson's office between Mr. Richardson, Mr. Petersen, Mr. Beall and Mr. Topkis, Mr. Best and Mr. London.

Mr. Topkis began the meeting by saying that he had "put on paper" a statement which he understood that the Government needed as a minimum acknowledgment of his client's guilt in order to forestall later charges by the Vice President or his supporters that there had been impropriety in the prosecution. He said that his client was still faced with the "gravest of problems" with respect to any such acknowledgment because, as he said yesterday, his client thinks he is not guilty and, further, because there was the problem of subsequent State prosecution. He said that at this point his client "wants an end and to buy peace for himself and his family." He said that his client has been receiving other advice to "make a fight of it," to attack the leaks from the Department of Justice and to run an all-out campaign for public support. He said that at the present time the Vice President was listening to his counsel and "not to those other voices." At that point he handed to Mr. Richardson a copy of a handwritten statement that he had drafted for his client to make in court "on the appropriate day."

Mr. Richardson read the handwritten statement and said that "this is a response in an unanticipated direction." While the statement dealt generously with the personal roles of the principal people involved in the Government investigation, he did not think it dealt adequately at all with the proposition that the ultimate outcome must be perceived as just. He said that he could not escape the dilemma of Mr. Agnew's failure to make an admission of guilt. He said that he saw a State prosecution as a most unlikely problem. He further said that because of the civil tax difficulties confronting their client,

that they should reexamine whether the charge to which he pleads should be a tax charge. Mr. Richardson said that, in any event, he was not seeking an endorsement of his own personal integrity which was essentially what Mr. Topkis' statement amounted to. He said that his perception of his role as a lawyer with the Department of Justice was such that he had to satisfy himself about the strength of the Government's proof. He said that he would not prosecute the case unless he thought it should result in a verdict of guilty. He said that he had reached that conclusion and that, if Mr. Agnew felt that he was in fact innocent, then he should probably "fight it." He said that he had prepared his own version of the kind of statement that the Government would expect the Vice President to make. He handed that statement, a copy of which is attached to this memorandum, to Mr. Topkis and the attorneys retired for 15 minutes for a conference.

Mr. Topkis returned to the room and said that the language in the statement was "unsatisfactory." He said that he was "perplexed" because he thought the Attorney General had said that an admission of guilt was necessary. He said he thought that his statement dealt with the reasons which Mr. Richardson had given yesterday for the Government adopting that view. He said that based on his criminal experience a defendant had the right to assert a plea of nolo contendere and to profess his innocence as part of plea bargaining. He said that he saw no basis in principle for the Government's conclusion that an admission of guilt was indispensable to such a plea.

Mr. London said that yesterday he and Mr. Topkis had perceived two problem areas. First related to the Government's request for a full disclosure of the operative facts. He said that he and his colleagues were willing to give the Government that freedom. Secondly he said that he understood our insistence that any result be one that was perceived by the public as just. He said that his language removed all reasonable doubt on that score without giving what his client "cannot give--an admission."

Mr. Richardson said that he did not disagree with the legal implications of a nolo plea as they had been stated. He said that he had arrived at a plea of nolo contendere as an acceptable alternative to a guilty plea by insisting that the nolo plea be coupled with an acknowledgment of basic complicity on Mr. Agnew's part. He said

he had touched earlier on his own insistence that the Government be in a position to make an extensive statement to the court, but that he had also meant to emphasize that the Vice President must acknowledge the truth of enough of that statement so that reasonable persons would conclude that the Vice President was guilty of significant violations of the law. He said that he "thought it was clear to you that the points in our letter constituted the irreducible floor of the Government's position."

Mr. Topkis asked "an acknowledgment of what?"

Mr. Richardson said that he is reminding Mr. Topkis that the Government came to the nolo plea understanding that the defendant would acknowledge the validity of the Government's case. What was at stake was a question whether the Vice President could walk out of the courtroom after having entered a plea of nolo contendere and assert that he is an innocent man whose plea was activated only by considerations of the cost to the nation and himself attaching to a prolonged trial and that these considerations made it inexpedient for him to fight for his rights. He said that Mr. Topkis' statement left that door open. He said that he could see no way of accomplishing what he had said "over and over again" other than to include in the record of the proceedings enough of an admission by the Vice President of the validity of the Government's case which would sustain a conclusion that the judgment of conviction and his resignation were fully supported by the facts. He said that he could not leave open for history to question as to whether Mr. Agnew was or was not guilty and whether or not he, in resigning, "bowed to pressures." He said that the second paragraph of his letter clearly stated all of this.

Mr. Petersen added that he thought it was terribly important that it appear to the public that the Department of Justice is not an instrumentality of partisan politics. He said that the only way to avoid that was not a "groveling confession," but a sufficient admission of guilt that it will appear that the Department of Justice appropriately pressed its case.

Mr. Richardson inquired as to whether the statement that he had tendered would be acceptable if the word "knowing" were removed from the first sentence in the third paragraph. Mr. London said that he did not think that was the crux of the problem.

Mr. Topkis said that Mr. Agnew was really not doing anything differently than every other State public official has done and is doing. He said that in his home State of New York, all contractors make cash payments to public officials in return for State work. He said this is the standard way of raising money for political campaigns and he did not see why his client was being asked to make an admission which was inconsistent with that premise.

Mr. Richardson said that it had been "my fervent hope from the beginning" that the evidence would sustain a defense of political contributions. He went on to state that this conclusion is not at all consistent with the evidence which has been accumulated so far.

Mr. Topkis said that the Government witnesses were liars. He said Mr. Hammerman, for example, lies when he says that he went to grade school with the Vice President.

Mr. Richardson said it had been previously suggested that Henry Petersen examine the evidence accumulated by the United States Attorney's office in Baltimore. That suggestion was followed and Mr. Petersen has interviewed the principal Government witnesses and closely analyzed the available proof. He said that, while Mr. Petersen could speak for himself, he could see "no explanation compatible with that of the Vice President to the effect that he did not know what was going on." He further said that the Government's principal witnesses had taken and passed polygraph examinations. He further said that their testimony had been corroborated in a variety of ways.

Mr. Topkis said that he was sure that the Attorney General understood that his purpose was to avoid trial and impeachment because both seemed undesirable from his client's standpoint.

Mr. Richardson said he understood that but the question was what was the Department of Justice willing to pay to avoid those consequences. He said that the Department of Justice, in entering into a negotiated settlement, was paying the following considerations: the Government was not insisting on a comprehensive indictment; the Department was not insisting on recommending a jail sentence, although we are not at this time prepared to recommend no jail either. He said that we also must recognize the situation of the other co-conspirators.

September 27, 1973

Mr. London said that the Vice President is not asserting that the Government's case is a "figment of somebody's imagination." He is also not willing to acknowledge the existence of a criminal scheme that involved his receipt of tainted monies.

Mr. Richardson said that he just could not accept "leaving open" the question of the Vice President's deep involvement in very serious criminal conduct.

Mr. Topkis said he never heard of the Government insisting on such a statement or admission in "settling a case."

Mr. Richardson said that he had certainly never been involved in "settling a case which will be written about forever." He said that he was very concerned about the prospect that, when the Vice President resigned, there would be an endless swirl of debate such as that which surrounded the Dreyfus and Sacco-Vanzetti cases. He said that the contents of his letter constituted the Government's "bottom line" and that the counsel should not lose sight of this.

Mr. Topkis said that we should keep in mind that both of the cases which the Attorney General referred to were tried by a jury and nonetheless resulted in public debate. He said that here "we are talking about a nolo plea which will solve your problems." He said that he could not recommend to his client "that he commit suicide or plead guilty."

Mr. Petersen said that our responsibility as representatives of the Department of Justice was to see that his client pled guilty to a felony charge which was representative of the scheme. He said that Mr. Richardson's position is somewhat softer because he is indicating that, at least at the negotiating stage, the Department could accept a plea of nolo contendere coupled with the Vice President's statement.

At 1:25 p.m. the meeting adjourned for lunch. The meeting resumed at 2:10 p.m. at which time counsel for the Vice President retired for a conference. Mr. Topkis returned to the room and stated that they had reformulated Mr. Richardson's statement in a

fashion which he thought they could recommend to their client as acceptable. He conceded that his redraft of the statement was probably not "enough for you." He also asked if the Government was prepared to recommend no jail confinement for his client. He said that if the Government would not do this in open court, he was hopeful that the Government would consider making such a recommendation privately to the Judge because the latter was probably unlikely to accept a sentence of no jail unless the Government indicated its acquiescence.

Mr. Richardson said that he had thought about and discussed the Government's position at sentence. He said this is a hard matter to resolve at the present time. He said that the Government would expect to make no recommendation to the court with respect to sentence. He said that perhaps the Judge would insist that he did not want to hear a recommendation on sentence from the Government in which case the Government's position would have no value. He said the other end of the spectrum of possibilities would involve the Government being put in a position of having to recommend no jail in open court. He said that he was not prepared to decide the question at the present time. He said that, if the Judge pressed the Government into a posture of having to take a position on sentence, he could undertake at that time to "bite the bullet."

Mr. Petersen said that the more likely probability was that the Judge will be prepared to reserve the question of sentence until sometime after he has heard about the plea bargain. He said that the Judge is likely either to informally poll other judges or to empanel a special set of other judges to assist him with sentencing.

Mr. London said that he thought we should think about the fact that, if the Government says nothing about sentence, the Judge could initially react unfavorably and irretrievably.

Mr. Richardson said that the Judge must also be made aware of the relative position of other defendants so that he can be fully prepared to analyze the desirability of consistency of treatment as between the co-conspirators. He said that counsel should understand that any position that the Department took with respect to sentence on the Vice President would probably have to be applied to all of those other persons and that the Department

September 27, 1973

could probably not make a suitable differentiation as between them. He said that he presently thought that "if I bite the bullet on no jail, it would be understood that we have then renounced any expectation of jail for the others."

Mr. Topkis said that he did not think that consistency necessarily meant uniformity. He suggested that perhaps Judge Hoffman should be called now on this point.

Mr. Richardson said he thought that the other hurdles should be overcome first before taking that step. He further said that with respect to the charge to which Mr. Agnew would plead, he thought the possibilities involved tax evasion and bribery under the Travel Act. He said that the civil liability problem was serious because of the uncertainty presently as to the amount of monies involved and because of the incompleteness of the investigation on that score. He said that he had checked on his authority with respect to civil tax cases and had discovered that he could compromise only those civil tax cases which have been referred to the Department of Justice by IRS. Until that time, he said that he had no jurisdiction to deal with the civil tax problems.

Mr. Petersen said that, with respect to tax evasion, the amounts of money involved are difficult to arrive at and that we would expect counsel for the Vice President to cooperate in clearing up the incomplete record on that score.

Mr. Topkis said that this presented a problem because, if his client stated the precise magnitude of his cash receipts, the Commissioner "reads the newspaper" and would have access to those figures.

Mr. Richardson suggested that Mr. Topkis check into the state of the law with respect to the question of whether monies received for political purposes are treated as taxable income. He further said that he did not see how he could "practically involve Treasury" at this point or at any foreseeable time.

Mr. Topkis said that the "determinative factor" at this point was his client's response. He said that the important thing was for them to confer with their client and to report back to Mr. Richardson.

The meeting terminated at 2:40 p.m.

Attachment
cc: Honorable Henry E. Petersen

2245

ELR
9/20/73
2nd Draft

Mr. Agnew's decision to resign and enter a plea of nolo contendere rests on the belief that the public interest requires a swift resolution of the problems generated by the investigation of his actions.

Mr. Agnew is aware that a number of witnesses are prepared to testify that he received payments from engineers seeking consulting contracts with the State of Maryland.

Mr. Agnew admits that he did receive such payments knowing that they were made pursuant to an illegal scheme intended to influence the award of such contracts. He is confident, nevertheless, that testimony presented on his own behalf would make inescapably clear not only that he at no time conducted his official duties as Governor of Maryland in a manner harmful to the interests of the State, but that his acceptance of payments was part of a long-established pattern of political fundraising in the State.

In all the circumstances, therefore, Mr. Agnew has concluded that a protracted investigation and trial, with the controversy inescapably surrounding them, would seriously prejudice the national interest.

These, briefly stated, are the reasons why he is entering a plea of nolo contendere to the charge that he did receive payments which he failed to report for purposes of

income taxation and that such failure constituted a willful evasion of Federal tax liability.

Paul A. Cohen

783-3400

7/19/73

can't find [redacted] } contemporaneous
 knows where [redacted] } explanations

safe deposit box
 R

- most work for state \$200,000 + a year
 had made a contribution to Agnew's 1966
 election campaign
 expected to get state business
- knew contributions necessary
 - call from H to come see H in H's office
 around end of 1967 - maybe H
 saw H
 - in line for state work
 - [redacted]
 - did he want a piece Yes
 - "commission" = 5000
 - would assure he got the work
 - direct bid solicited
 - no sophistication
 - tickets
 - "pol cont"

knew H close to A

- H said cash

- H " no record he paid the \$5000

proposal preproposal conf

- submitted proposal

request for proposal came in Dec 1967
or Jan 1968

revision

awarded contract - \$150,000 he believes
only time

~~for payments~~

records

7-25-73

GB, BDS, RSL

~~Confidential - Security Matter~~

Advised that ^{which} information cannot be used against you - which we agree to hear his disclosures, we make no promises as to whatever relationships we enter into.

Kenneth Hammerman - Ad Club.
Returned to Baltimore - 1930. Civil
Eng'g. Corp. began 1958-58.
City. City Eng'rs from 1959-55.
State left firm - on alcohol - in 1972.
Randy retired now.

Start was Sept 1966 - "not too much" -
"small jobs" - fee of \$10 - 15,000. No work
in Baltimore from 1966 that kind of

Ever since been in existence have been
called upon to make political contributions -
brought from both sides - tried to always
buy. In 1966 ~~_____~~ called
for Appear Cont. - check for \$1,000.
Action for cash: "every admin has work
give out - only if in favor will work
come thru." ~~_____~~ said: "I hope
you will interfere for me." They have
paid this to both. Hoping ~~_____~~
they don't say anything that ~~_____~~ get
work - this was understood. ~~_____~~ was:
"I'll do what I can?"

1484

- Vague - typically ambiguous
slightly suspicious - don't let you finish question.
Difficult answer similar questions.

- known person present as meeting
 hotel. Hotel copy. Can't
 remember name of. Meeting was
 scheduled ahead, probably by.
 go & sit in the meantime.
 followed thru on phone. In lobby.
 - the receipt for the cardholder.

(in 1967)

After the election, heard rumors that
 he was running JFK were due. Contacted
 Chris of State House (- wife -). Spoke to
 also. Probably
 in Dec. 1966. Started contacting
 people to get work. Got no definite
 response. Also spoke to
 J. Walter Jones & possibly

latter part of Dec. 1967

received phone call from JTH who says:
 "I understand you're interested in
 JFK job. Stop in to see me in"

next couple of days. had no idea
 what JTH wanted to talk about, but
 assumed it was business - also assumed it
 was state business because he knew JTH
 close to Agnew. Contacted others well
 "much before" the phone call - probably
 in summer of 1967. Nothing happened from
 that time until phone call.

- No calendars for 1966, '67, '68, 69, 70 & 71.
 All destroyed years ago.

As IHH's spec - he alone - he aware
my firm interested in getting JFK contact.
He went into no details - he said he
knew we were interested in JFK job.
He also stated that "if we would
contribute \$5,000 in cash to the
Republican Campaign fund, campaign
would have a good chance. [redacted]
said he'd have to check on his associates in
the firm.

- Did he use word "contribution"?

Yes. Talked up [redacted] this week -
latter said they asked for a campaign
contribution.

- First & only payment in cash,
went for buying tickets occasionally.

- What about word "commission"?

Says this was not what he meant.
Was fishing for word.

No mention of size of contact.

[redacted] realized it could be larger than
anything that firm ever handled.

[redacted] IHH suggested \$5,000 was
thinking what job could run into
hundreds of thousands of dollars.
It's possible IHH mentioned size of job.

Nancy was paid later - after
proposal request was rec'd [redacted]
~~Antony probably~~

First conversation in Dec. [redacted] said

Did much of garden & got back. Couple
of weeks later had a second meeting
w/ IHH. This was before he received
the request for proposal.

██████████ called IHH & said ready to
give an answer. Did not talk on phone.
Quorum meeting. ██████████ told "we will do our
best to get the money together."

██████████ cautioned ██████████ not to understate
facts. BDD told to highlight things not
generally sure of & to say what he is
sure of. He's been uncertain about
even the obvious facts.

Told would get money together, by
but needed time to do so. Assured ██████████
that money was coming. IHH gave no
indication as to when would talk to.

Got proposal request on ██████████. This
was clear indication that would get job.
██████████ realized had the job - but
already started getting money together -
this is except for agreement.

Paid money latter part of March, 1968.
No contacts w/ ██████████ IHH between. Told
that day to get money together. Put cash in
plain envelope - saw in his office -
turned over amount requested. No other
conversation needed.

Did you figure
in the 5/1000

⑤

(July 1968)

Latter part of 1968, I/H asked him to
 buy tickets or make contributions to 6000
 picnic that year. *1,000 check.

Other contact:

Water heater crossing ^{11/12/68} \$250,000

Two Citea jobs 3/1/68

Aggregated about \$500,000 or more.

Made no other payments - no check
 solicited for another payment. July job
 where his firm was asked for a
 contribution.

7/25/73

[redacted] presents.

→ The letter is discussed.

→ [redacted] is again explained the letter.

relate initial contacts w/ Hamner:

Known Hamner a long time.

[redacted] & [redacted] 2 countries
same countries w/ each country
at & request that they would
intercede for him for state work.

present at these meetings @ Lord
Baltimore Hotel man present from
Committee.

Dec. 67 heard about expansion of [redacted]
space to half
[redacted]
[redacted]

for them so [redacted] intercede for him.

WOLFF - COLLINS MATERIAL

FBI

is Wolfe's C.F.A

No mention in file
of Agnew

1729

FBI

(F31)

2/20/73

F31

Collins

5 p.m.
phone.

no personal records of Wolf.

Mr. Spelar said to call me.

never been personal accountant for him.

↓ extent of relationship

Was across hall in Jefferson

1963 worked for him for in

1966 when [redacted] bought it

surprise. →:

copies of tax returns to sent to Wiener
for years last 5/6 years.

nothing else.

some of records Wolf + Oscar 64-66
in the there. payroll records → turned
over.

more does.

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : File

DATE: 2/21/73

RSL:AC

Dictated: 2/20/73

FROM : RSL

SUBJECT: JEROME WOLF (Baltimore County)

Today I received a phone call from a [REDACTED]. [REDACTED] left the following message with my secretary. Mr. Spikas (Deputy Marshal) said for him to call me re: records of Jerome Wolf. [REDACTED] mentioned something about [REDACTED] and requested that I call him today.

I returned [REDACTED] call and the following is what transpired during that conversation:

[REDACTED] informed me that he did not have any personal records of Mr. Wolf, that he was never the personal accountant for him and that the extent of their relationship was that he typed up some income tax returns which were already prepared by Mr. Wolf and sent to him by Mr. Wolf. [REDACTED] further informed me that his office used to be across the hall from Mr. Wolf in the Jefferson Building.

In 1963, [REDACTED] worked for Jerome Wolf's company which, in 1966 was bought out by [REDACTED]. [REDACTED] continued to work for [REDACTED]. According to [REDACTED] Deputy Marshal Spikas informed him that he had a subpoena for those records of Wolf which he had in his possession as his accountant. According to [REDACTED] the subpoena was not served upon him.

[REDACTED] further informed me that he had a bad back and was not eager to come to either my office or the Internal Revenue office. He further reiterated that he did not have any of the personal records of Mr. Wolf.

The conversation was about to terminate when [REDACTED] became quite talkative. He mentioned to me that he had turned over some documents already and that was all that he had. He further volunteered that those documents went to Mr. Wiener. I questioned him what documents went to Mr. Wiener and at that point he informed me that he guessed that the Mr. Wiener he was referring to was Mr. Wolf's attorney. From this point on, [REDACTED] became less talkative and quite evasive. He informed me that the documents he turned over to Mr. Wiener were merely copies of tax returns for the last five or six years. I asked him if he had turned any other documents over. His response was that he had not, but he again became evasive. I asked [REDACTED] directly

suburbans

three or four times whether or not any other documents, i.e. documents other than tax returns were supplied to Mr. Wiener. His answer was in the negative several times and then finally, he said he did turn over other records to Mr. Wiener. He said that he had Mr. Wolf's file and that Mr. Wolf came to visit him at home and he requested the file. In that file, according to [REDACTED], in addition to the tax returns, were some records of Wolf Associates for the years 1964 through 1966 including payroll records. At this point, [REDACTED] again became evasive and said he was not sure what other documents were in that file. He informed that the file was approximately half an inch thick and that he was just eager to get rid of the file.

I asked [REDACTED] what the substance of his conversation with Mr. Wolf was when Mr. Wolf visited him and picked up his file. [REDACTED] became quite evasive and would not directly answer the question.

I informed [REDACTED] that I would speak with Deputy Marshal Spikas tomorrow and phone him sometime in the morning.

2/2/73

Home #

office : SAME
 Home # : SAME

occupation CPA.

used to work w/ [redacted] & [redacted] Law
 firm in Jeff. building [redacted]
 - One of rep. w → when w
 needed accountant [redacted]
 recommended [redacted] to Wolf whose
 office was across hall.
 1963.

In 1962 prepared Tax returns for Jennifer
 Wolf & Assoc. + personal returns.

Kept Books for Comp.

When us signed [redacted] records +
 turned over Wolf's corp records w/ this.

(2)

kept books for Wolf accor. & did returns
for for corp & did returns for [redacted]
personal.

~~from~~ [redacted] } kept

[redacted] on an account. Still

account for [redacted] → was account

for [redacted] until sold to [redacted].

continued to do returns for Wolf &
Wolf would do returns & [redacted]
Typed.

Wolf would list his financial affairs
on paper or sometimes on returns &

did returns in this way for Wolf
in same way.

about ~1/12/73 or 2/12/73 W calls
Callie & says I want to come
over & see you.

10 minutes later he appeared at C's
house.

W said he was being investigated
by FBI said he to do w/ my
dealings & or relationships w/ [redacted]
[redacted] & I have gotten
an attorney A.M.W. & that he
was also going to retain an
accountant [redacted].

asked for files → any files that
would have to do w/ his
T/S w/ [redacted] & [redacted] →
said he wanted any files
you have that might have to
do w/ me.

Doc eager to get W out of his office
felt uncomfortable around him.

W/ him alone. Trouble on his face
he always felt [redacted] W was
trying to get him to do things
he the accountant should do.

gone W to 2 files. But he didn't look
in W's files. J.B.W. & Assoc.
[redacted] labeled [redacted]
[redacted] → all corp. files.

realized that after left lunch it
gave W files W/ box return
called W on phone & told him
that he ~~trust~~ personal files.

W returned same day & picked
up that file. file had his
name on it.

first 2 files corp. records.

Hasn't spoke w/ Wolf since ..

Is sure that file he gave to
 Wolf was a [redacted] file.

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : File

DATE: 2/22/73

RSL:AC

Dictated: 2/21/73

FROM : *RSL* RSL

SUBJECT: JEROME WOLF (Baltimore County)

Today I spoke with [REDACTED] and invited him to my office for an interview. I informed [REDACTED] that he was under ~~absolutely~~ absolutely no compulsion to attend this interview and that his attendance was completely voluntary.

[REDACTED] informed me that he had had some disc problems as well as some emotional problems but that he felt that he was able to come to my office for interview. I, in the strongest possible terms, cautioned [REDACTED] not to come to my office if for any reason he felt or his doctors felt that such a meeting would be a strain on him. I told [REDACTED] that if he felt or his doctors felt that he could not appear in my office, that I would in no way draw any bad conclusions from his failure to appear. I further suggested to [REDACTED] that he consult with his physician before coming to this office in order to determine whether or not his appearance here would be ~~of~~ any strain on him.

I further informed [REDACTED] that I would arrange for him to park underground in this building so that he would not have to walk very far to come to this office.

[REDACTED] informed me that he was eager to meet with us and would like to come to my office tomorrow afternoon.

Before terminating the conversation, [REDACTED] informed me that yesterday he informed me that the file which he turned over to Mr. Wolf and which contains Mr. Wolf's personal records is about one half inch thick. He further informed me that he did not want me to hold him to this and that upon reflection the file could have been a inch or more thick. He also informed me that he had turned over two other files to Mr. Wolf, at Mr. Wolf's request. These files were [REDACTED] files which Mr. Wolf said he also wanted to have ~~him~~ in his, i.e. Mr. Wolf's possession. At this point, the conversation was terminated and I informed [REDACTED] that we would speak tomorrow when ~~he~~ we meet in person.

met *all*

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : File

DATE: 2/23/73

RSL:AC

Dictated: 2/22/73

FROM : RSL

SUBJECT: JEROME WOLF- [REDACTED] MATTER (Baltimore County)

After my meeting with [REDACTED] I received a phone call from him. He informed me that he had spoken with Mr. Wolf and that he had informed Mr. Wolf that he has given Mr. Wolf files which did not belong to him. He further informed me that he asked Mr. Wolf for the return of these files. According to [REDACTED], he would be picking up these files from Mr. Wolf and expressed a desire to turn them over to the Government.

1738

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : File

DATE: 2/23/73

RSL:AC

Dictated: 2/22/73

FROM : RSL

SUBJECT: JEROME WOLF- [REDACTED] MATTER (Baltimore County)

Received a call from [REDACTED] today. He informed that he was in the Greiner offices and that Mr. Wolf had informed him that certain files had been received by him from [REDACTED]. According to [REDACTED] Mr. Wolf has not copied those files, did not have them copied by anyone else and was returning those files to [REDACTED]. According to Sharpe, those files contained in addition to [REDACTED] and other corporate documents, personal records of [REDACTED]. [REDACTED] further informed me that those parts of the file which contained personal records of Wolf would be retained by Mr. Wolf and the rest returned to Mr. Collins. I expressed agreement with this.

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : File

DATE: 2/23/73

RSL:AC

Dictated: 2/22/73

FROM : RSL

SUBJECT: JEROME WOLF- [REDACTED] (Baltimore County)

I received a call from Arnold Wiener. He informed me that he had requested Mr. Wolf to get the files in question from Mr. Wolf's accountant, [REDACTED]. Mr. Wiener further informed me that he intended to not only examine these records, but also to photocopy them.

Mr. Wiener further informed me that all documents which are personal documents of Mr. Wolf would be retained by Mr. Wolf. Those documents which are not Mr. Wolf's documents and which fall under the ambit of governmental subpoenas would be returned to [REDACTED].

I informed Mr. Wiener that Mr. Wolf had taken files from [REDACTED] which were not personal records of Mr. Wolf and which were for [REDACTED]. Mr. Wiener acknowledged this. I also informed Mr. Wiener that Mr. Wolf had those files in his possession for approximately one week. Mr. Wiener also acknowledged that this was true.

Mr. Wiener advised me that he would contact Messrs. Sharpe and Wolf and arrange for the documents to be examined by himself. He further advised me that he intended to call [REDACTED] to discuss this matter with him.

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : File

DATE: 2/24/73

RSL:AC

Dictated: 2/24/73

FROM *VS* RSL

SUBJECT: JEROME WOLF- [REDACTED] MATTER (Baltimore County)

During my meeting of 2/22/73 with [REDACTED] he voluntarily turned over to me a file entitled "Environmental Sciences and Engineering Corporation." This file apparently contains corporate documents for a Wolf company. This file is presently being held in my own personal Baltimore County file.

1741

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : File

DATE: 2/24/73

RSL:AC

Dictated: 2/24/73

FROM : ps/RSL

SUBJECT: WOLF- [REDACTED] (Baltimore County)

During one of my conversations with Arnold Wiener yesterday, 2/23/73, Mr. Wiener informed me that he had in his custody three files which were turned over by [REDACTED] to Wolf. They were labeled the E.R.W. Corporation file, the J.B.W. and Associates file, and the J.B.W. and Associates, Inc., file.

With respect to the first file, i.e. the E.R.W. Corporation file, Mr. Wiener informed me that contained in this file were state unemployment returns, tax returns, company income operated statements. He further informed me that the file began in 1966 and ended in 1969. Therefore, according to Mr. Wiener, many of the documents were [REDACTED] documents because of the fact that the E.R.W. Corporation during those years became the [REDACTED]

Also contained in this file, according to Mr. Wiener, was correspondence between [REDACTED] and third parties. The only third party that Mr. Wiener mentioned to me was [REDACTED]. He also informed me that there was a photocopy of an agreement between [REDACTED] and [REDACTED]. Mr. Wiener informed me also that there were other documents in this file. He did not, however, advise me as to the exact nature of those documents.

Mr. Wiener was about to advise what was in the second corporate file. That is to say he informed me that one of the files contained personal documents of Mr. Wolf and that those documents would remain in Mr. Wolf's possession and the government would not be advised as to the contents of that file. However, prior to Mr. Wiener's advising me as to the contents of the second corporate file, I terminated the conversation because I was due in court.

I phoned Mr. Wiener later that day and he advised me that he was photocopying the contents of all three files and that he intended to keep his copy, intact, in his possession. He further advised that the other two files, or least those parts of the other two files that did not contain personal documents of Mr. Wolf, would be returned to [REDACTED].

MAY 1973

Collins-Wolf

-2-

2/24/73

TO

From the above, it is obvious that the government has not had the opportunity to review the documents and make a determination as to them. Only Arnold Wiener has seen all of the documents and it is Arnold Wiener who has decided which documents are Mr. Wolf's personal documents which will be returned to [REDACTED]

↓
+ which of the other ^{remaining} documents RSC 2/24/73

1743

ADDRESS REPLY TO
UNITED STATES ATTORNEY
AND REFER TO
INITIALS AND NUMBER

RTB:jlh

United States Department of Justice

UNITED STATES ATTORNEY
DISTRICT OF MARYLAND
409 POST OFFICE BUILDING
BALTIMORE, MARYLAND 21202

F31
TELEPHONE:
WOMEX
(AREA CODE 301)
962-3860

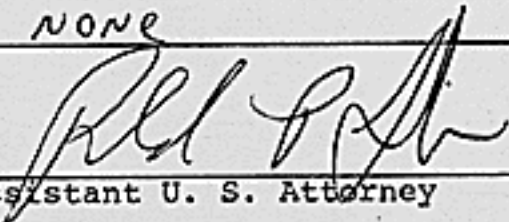
I, the undersigned, have been advised that under the Fifth and Sixth Amendments to the Constitution of the United States, I have an absolute right to remain silent and to refuse to disclose documents or other information. I also understand that I have the absolute right to consult with my attorney before making any statement or answering any question and that I may have my attorney present with me during this interview.

I further understand that I may leave at any time and that I may answer some questions and nevertheless refuse to answer other questions at any time during this interview.

I understand that the information and documents that I provide during this interview may be used against me in a criminal case in a Court of law.


Date: 

I, the undersigned, am an attorney who represents the witness, whose name appears above, and I have been present while he was advised of his rights and signed this form.

NONE

Assistant U. S. Attorney

Date: X

Date: 2/27/74

I am voluntarily turning over to Mr. Liebman
one file of "Environmental Sciences & Engineering Corp."

1744

2/27/74



UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : File

DATE: 3/5/73
RSL:AC
Dictated: 3/3/73

FROM fsl RSL

SUBJECT: JEROME WOLF

I had a conversation yesterday, March 2, 1973, with Arnold Weiner in my office. I informed Mr. Weiner that I still had not heard anything from [REDACTED] pursuant to the return of the files which were to be returned by Mr. Weiner to [REDACTED] on Monday, Feb. 26, 1973. Mr. Weiner informed me that he still had those files in his custody. Mr. Weiner informed me that there was another lawyer who wanted to look through the files before they were returned to [REDACTED]

I informed Mr. Weiner that I was quite disturbed by the fact that he had retained these files for such a period of time. I told Mr. Weiner that I now intended to serve him with a subpoena for all of the files which were turned over by [REDACTED] to Mr. Wolf. I also informed Mr. Weiner that I felt that it was improper for Mr. Weiner to be the sole judge of which documents in these three files were personal documents of Mr. Wolf and therefore protected by the Fifth Amendment and which documents were corporate documents of various entities and therefore producible under the terms of the original subpoena to [REDACTED]. I informed Mr. Weiner that perhaps the proper way to settle this problem would be for Mr. Weiner to file a motion to quash the subpoena which would be served upon him on the grounds that some of the documents were protected by the Fifth Amendment. I further informed him that the Court could, in camera, view the documents and determine for itself exactly which documents were protected and therefore not producible.

Mr. Weiner informed me that he would prefer that I subpoena [REDACTED] as his secretary so that he would not have the legal problem of representing himself pro se.

Mr. Weiner further informed me that because his father was seriously ill, the service of such a subpoena and the necessity for his drafting and filing a motion to quash would be a hardship upon him. Mr. Weiner on several occasions during the conversation offered to supply me voluntarily with two of the files out of the three. I advised Mr. Weiner again that by his voluntarily supplying me with the documents, he would be selecting which documents are protected by the Fifth Amendment and the Government would have to abide by his judgment.

Re: Jerome Wolf

-2-

3/5/73

I also informed Mr. Weiner that I did not want him to think that the Government was taking undue advantage of him because of his father's serious illness, consequently, I would refrain from serving the subpoena upon him for a one or two week period until his crisis was over. Mr. Weiner informed me that he was in the process of writing me a letter informing me that he has the documents and that he is more than willing to voluntarily turn over certain of those documents. I again inform^{ed} Mr. Weiner that it would be his sole judgment as to which documents are to be turned over to the Government and this was, in the Government's opinion, improper. I again informed him that the proper manner in which this problem should be handled would be for the Court to decide which of the documents are Fifth Amendment and protected and which of the documents are producible.

I again informed Mr. Weiner that I would refrain from having a subpoena served upon his office until after his personal crisis was over.

El Paso County Invest. Immunity
Authorization

1/2

Mr. George Beall
United States Attorney
Baltimore, Maryland

Re: Grand Jury Investigation

Dear Mr. Beall:

Your request for authority to apply to the United States District Court for the District of Maryland for an order or orders requiring [REDACTED] to give testimony or provide other information pursuant to 18 U.S.C. 6002-6003 in the above matter and in any further proceedings resulting therefrom or ancillary thereto is hereby approved pursuant to the authority vested in me by 18 U.S.C. 6002-6003 and 28 C.F.R. 0.175.

Sincerely,

HENRY E. PETERSEN
Assistant Attorney General

Mr. George Beall
United States Attorney
Baltimore, Maryland

Re: Grand Jury Investigation

Dear Mr. Beall:

Your request for authority to apply to the United States District Court for the District of Maryland for an order or orders requiring [REDACTED] to give testimony or provide other information pursuant to 18 U.S.C. 6002-6003 in the above matter and in any further proceedings resulting therefrom or ancillary thereto is hereby approved pursuant to the authority vested in me by 18 U.S.C. 6002-6003 and 28 C.F.R. 0.175.

Sincerely,

HENRY E. PETERSEN
Assistant Attorney General

Mr. George Beall
United States Attorney
Baltimore, Maryland

Re: Grand Jury Investigation

Dear Mr. Beall:

Your request for authority to apply to the United States District Court for the District of Maryland for an order or orders requiring [REDACTED] to give testimony or provide other information pursuant to 18 U.S.C. 6002-6003 in the above matter and in any further proceedings resulting therefrom or ancillary thereto is hereby approved pursuant to the authority vested in me by 18 U.S.C. 6002-6003 and 28 C.F.R. 0.175.

Sincerely,

HENRY E. PETERSEN
Assistant Attorney General

Mr. George Beall
United States Attorney
Baltimore, Maryland

Re: Grand Jury Investigation

Dear Mr. Beall:

Your request for authority to apply to the United States District Court for the District of Maryland for an order or orders requiring [REDACTED] to give testimony or provide other information pursuant to 18 U.S.C. 6002-6003 in the above matter and in any further proceedings resulting therefrom or ancillary thereto is hereby approved pursuant to the authority vested in me by 18 U.S.C. 6002-6003 and 28 C.F.R. 0.175.

Sincerely,

HENRY E. PETERSEN
Assistant Attorney General

2148

Mr. George Beall
United States Attorney
Baltimore, Maryland

Re: Grand Jury Investigation

Dear Mr. Beall:

Your request for authority to apply to the United States District Court for the District of Maryland for an order or orders requiring [REDACTED], to give testimony or provide other information pursuant to 18 U.S.C. 6002-6003 in the above matter and in any further proceedings resulting therefrom or ancillary thereto is hereby approved pursuant to the authority vested in me by 18 U.S.C. 6002-6003 and 28 C.F.R. 0.175.

Sincerely,

HENRY E. PETERSEN
Assistant Attorney General

2147

Mr. George Beall
United States Attorney
Baltimore, Maryland

Re: Grand Jury Investigation

Dear Mr. Beall:

Your request for authority to apply to the United States District Court for the District of Maryland for an order or orders requiring [REDACTED] to give testimony or provide other information pursuant to 18 U.S.C. 6002-6003 in the above matter and in any further proceedings resulting therefrom or ancillary thereto is hereby approved pursuant to the authority vested in me by 18 U.S.C. 6002-6003 and 28 C.F.R. 0.175.

Sincerely,

HENRY E. PETERSEN
Assistant Attorney General

2149

Department of Justice
Washington 20530

SEP 10 1973

Mr. George Beall
United States Attorney
Baltimore, Maryland

Dear Mr. Beall:

Enclosed are four (4) separate letters
authorizing you to seek grants of immunity for
[REDACTED], in
connection with the grand jury proceeding involving
violations of 18 U.S.C. 1951 and 1952.

It is understood that you will immunize
only as many of these individuals whose testimony
is actually necessary to obtain sufficient evidence
to support the above violations.

Sincerely,


HENRY E. PETERSEN
Assistant Attorney General

2150

Department of Justice
Washington 20530

OCT 3 1973

Mr. George Beall
United States Attorney
Baltimore, Maryland

Dear Mr. Beall:

Enclosed are two (2) separate letters authorizing you to seek grants of immunity for [REDACTED] in connection with the grand jury proceedings involving violations of 18 U.S.C. 1951 and 1952.

It is understood that you will immunize only as many of these individuals whose testimony is actually necessary to obtain sufficient evidence to support the above violations.

Sincerely,


HENRY E. PETERSEN

Assistant Attorney General

F42

Department of Justice
Washington 20530

SEP 10 1973

Mr. George Beall
United States Attorney
Baltimore, Maryland

Re Grand Jury Investigation

Dear Mr. Beall:

Your request for authority to apply to the United States District Court for the District of Maryland for an order or orders requiring [REDACTED] to give testimony or provide other information pursuant to 18 U.S.C. 6002-6003 in the above matter and in any further proceedings resulting therefrom or ancillary thereto is hereby approved pursuant to the authority vested in me by 18 U.S.C. 6002-6003 and 28 C.F.R. 0.175.

Sincerely,



HENRY E. PETERSEN
Assistant Attorney General

2152

SEP 10 1973

Mr. George Beall
United States Attorney
Baltimore, Maryland

Re Grand Jury Investigation

Dear Mr. Beall:

Your request for authority to apply to the United States District Court for the District of Maryland for an order or orders requiring [redacted] to give testimony or provide other information pursuant to 18 U.S.C. 6002-6003 in the above matter and in any further proceedings resulting therefrom or ancillary thereto is hereby approved pursuant to the authority vested in me by 18 U.S.C. 6002-6003 and 28 C.F.R. 0.175.

Sincerely,

HENRY E. PETERSEN
Assistant Attorney General

Immunity

hand delivered

F42

Phillip White
Organized Crime Section
Criminal Division

October 1, 1973

George Beall
United States Attorney

Request For Authorization To Immunize Grand Jury Witnesses Under 18 U.S.C.
§ 6001-05 in the Investigation of the Vice-President and Others

It is the purpose of this memorandum and the attached sheets to request authorization to immunize under 18 U.S.C. § 6001-05 witnesses who will be called to testify before a special Grand Jury in the United States District Court for the District of Maryland, in accordance with the instructions contained in Memo #595, Supplement 1 (September 2, 1971).

The special Grand Jury conducting this investigation will meet next on Wednesday, October 3, 1973. It is essential that I have these authorizations no later than the close of business on Tuesday, October 2, 1973, because the immunity hearing will be held at 9:15 a.m. on Wednesday, October 3, 1973.

In the event of any difficulty, I would appreciate it if you would notify Assistant United States Attorney Russell T. Baker, Jr., in my office. His number is 301/539-2940.

Thank you very much for your kind cooperation and assistance in this matter.

Attachments.

Insert indices to FBI.

1. [REDACTED]
2. [REDACTED]
3. None
4. [REDACTED]
5. [REDACTED] c.
6. The witness is unimportant in criminal activity in this area.
7. There are no pending charges against the witness.
8. The witness is not presently incarcerated.
9. The investigation is being conducted by the Special Federal Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.
10. The Grand Jury is investigating allegations of kickbacks to public officials in Maryland, including Spiro T. Agnew.
11. Information developed by this office establishes that [REDACTED] delivered a very substantial illegal cash payment to Bud Hammerman for [REDACTED]. He is expected to assert his Fifth Amendment privilege. His testimony is in the public interest because it will provide details on this transaction and force [REDACTED] to cooperate with the Government.
12. The witness will probably testify if immunity is granted.
13. The witness's testimony will reveal his participation in a scheme that violates the Internal Revenue Code.

Philadelphia
[REDACTED]

1. [REDACTED]
2. [REDACTED]
3. None
4. [REDACTED]
5. [REDACTED]
6. The witness is unimportant in criminal activity in this area.
7. There are no pending charges against the witness.
8. The witness is not presently incarcerated.
9. The investigation is being conducted by the Special Federal Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.
10. The Grand Jury is investigating allegations of kickbacks to public officials in Maryland, including Spiro T. Agnew.
11. Information developed by this office and in the Grand Jury itself has established that the company for which the witness works has made illegal payments to more than one public official in Maryland since 1967. Grand Jury testimony has also disclosed that this company generated the necessary cash with which to make these illegal payments by paying extra salary or bonuses to employees, including the witness, which high officials in the company required the witness and other employees to return to them in cash. The witness is expected to invoke his privilege against self-incrimination. His testimony will be necessary to the public interest because it will further disclose the illegal scheme by which cash was generated by the company and put pressure upon high officials in the company to cooperate with this investigation.
12. The witness will probably testify if immunity is granted.
13. The witness's testimony will reveal his participation in a scheme that violates the Internal Revenue Code.

1. [REDACTED]
2. [REDACTED]
3. None
4. M [REDACTED]
5. [REDACTED]
6. The witness is unimportant in criminal activity in this area.
7. There are no pending charges against the witness.
8. The witness is not presently incarcerated.
9. The investigation is being conducted by the Special Federal Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.
10. The Grand Jury is investigating allegations of kickbacks to public officials in Maryland, including Spiro T. Agnew.
11. Information developed by this office and in the Grand Jury itself has established that the company for which the witness works has made illegal payments to more than one public official in Maryland since 1967. Grand Jury testimony has also disclosed that this company generated the necessary cash with which to make these illegal payments by paying extra salary or bonuses to employees, including the witness, which high officials in the company required the witness and other employees to return to them in cash. The witness is expected to invoke his privilege against self-incrimination. His testimony will be necessary to the public interest because it will further disclose the illegal scheme by which cash was generated by the company and put pressure upon high officials in the company to cooperate with this investigation.
12. The witness will probably testify if immunity is granted.
13. The witness's testimony will reveal his participation in a scheme that violates the Internal Revenue Code.

1. [REDACTED]
2. [REDACTED]
3. None
4. [REDACTED]
5. [REDACTED]
6. The witness is unimportant in criminal activity in this area.
7. There are no pending charges against the witness.
8. The witness is not presently incarcerated.
9. The investigation is being conducted by the Special Federal Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.
10. The Grand Jury is investigating allegations of kickbacks to public officials in Maryland, including Spiro T. Agnew.
11. Information developed by this office and in the Grand Jury itself has established that the company for which the witness works has made illegal payments to more than one public official in Maryland since 1967. Grand Jury testimony has also disclosed that this company generated the necessary cash with which to make these illegal payments by paying extra salary or bonuses to employees, including the witness, which high officials in the company required the witness and other employees to return to them in cash. The witness is expected to invoke his privilege against self-incrimination. His testimony will be necessary to the public interest because it will further disclose the illegal scheme by which cash was generated by the company and put pressure upon high officials in the company to cooperate with this investigation.
12. The witness will probably testify if immunity is granted.
13. The witness's testimony will reveal his participation in a scheme that violates the Internal Revenue Code.

1. [REDACTED]
2. [REDACTED]
3. None
4. [REDACTED]
5. [REDACTED]
6. The witness is unimportant in criminal activity in this area.
7. There are no pending charges against the witness.
8. The witness is not presently incarcerated.
9. The investigation is being conducted by the Special Federal Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.
10. The Grand Jury is investigating allegations of kickbacks to public officials in Maryland, including Spiro T. Agnew.
11. Information developed by this office and in the Grand Jury itself has established that the company for which the witness works has made illegal payments to more than one public official in Maryland since 1967. Grand Jury testimony has also disclosed that this company generated the necessary cash with which to make these illegal payments by paying extra salary or bonuses to employees, including the witness, which high officials in the company required the witness and other employees to return to them in cash. The witness is expected to invoke his privilege against self-incrimination. His testimony will be necessary to the public interest because it will further disclose the illegal scheme by which cash was generated by the company and put pressure upon high officials in the company to cooperate with this investigation.
12. The witness will probably testify if immunity is granted.
13. The witness's testimony will reveal his participation in a scheme that violates the Internal Revenue Code.

*case
1,000 redaction
to James Jones*

1. [REDACTED]
2. [REDACTED]
3. None known
4. [REDACTED]
5. [REDACTED]
6. The witness is unimportant in criminal activity in this area.
7. There are no pending charges against the witness.
8. The witness is not presently incarcerated.
9. The investigation is being conducted by the Special Federal Grand Jury, December, 1972 Term, in the United States District Court for the District of Maryland. The investigation has neither a docket number nor a matter number.
10. The Grand Jury is investigating allegations of kickbacks to public officials in Maryland, including Spiro T. Agnew.
11. Information developed by this office and in the Grand Jury establishes that the witness has personally delivered illegal payments to public officials in Maryland on behalf of one or more companies with which he has been employed. The witness has already invoked his Fifth Amendment privilege and refused to testify before the Grand Jury. His testimony will be necessary to the public interest because it will disclose the means and recipients of illegal payments.
12. The witness will probably testify if immunity is granted.
13. The witness's testimony will reveal his participation in a scheme that violates the Internal Revenue Code.

*References to [REDACTED] state
complaint re [REDACTED]
conviction*

which has since expired.

F42

In January, 1973, this office began an investigation of political corruption in Baltimore County, Maryland based upon allegations that consulting engineers and architects were forced to pay kickbacks in return for the awarding of public work. In the relatively early stage of this investigation Lester Matz became a cooperating Government witness. His testimony has been instrumental in obtaining the convictions of Spiro T. Agnew, former Vice-President of the United States, N. Dale Anderson, former County Executive of Baltimore County, Maryland, William Fornoff, former Administrative Officer of Baltimore County, Maryland and others. This office's investigation into political corruption and other related activities quickly spread to other political subdivisions in Maryland. Due in part to the information which has been supplied by Lester Matz, the investigating being conducted by this office has focussed on a broader scope of corrupt activities involving individuals other than engineers and architects.

Lester Matz is the subject of an ^{early} immunity authorization. However, relations between Matz and this office have, for the time being at least, broken down. The Government is fearful that, unless a ^{working} relationship with Matz is recreated, ^{that} he will refuse to cooperate and take the Fifth Amendment when called to testify both before the grand jury and at trial.

Because certain matters which are currently under investigation, having commenced with disclosures made by Matz in the past, are being held in abeyance, the Government has decided to subpoena Matz to the grand jury in order to obtain further disclosures from him. His attorneys have indicated that they may not rely upon the use immunity which has already been provided to Matz and, therefore, ^{will} advised him to invoke the Fifth

because of
Mats' current
status

Amendment should he be subpoenaed. Therefore, a continuance of the earlier authorization to use immunize Matz is requested.

Department of Justice
Washington 20530

SEP 10 1973

Mr. George Beall
United States Attorney
Baltimore, Maryland

Re Grand Jury Investigation

Dear Mr. Beall:

Your request for authority to apply to the United States District Court for the District of Maryland for an order or orders requiring [REDACTED] to give testimony or provide other information pursuant to 18 U.S.C. 6002-6003 in the above matter and in any further proceedings resulting therefrom or ancillary thereto is hereby approved pursuant to the authority vested in me by 18 U.S.C. 6002-6003 and 28 C.F.R. 0.175.

Sincerely,



HENRY E. PETERSEN
Assistant Attorney General

2163

F42

Department of Justice
Washington 20530

OCT 1 1973

Mr. George Beall
United States Attorney
Baltimore, Maryland

Dear Mr. Beall:

Enclosed are six (6) separate letters authorizing
you to seek grants of immunity for [REDACTED]

[REDACTED] in connection with the grand jury
proceeding involving violations of 18 U.S.C. 1951 and 1952.

It is understood that you will immunize only as many
of these individuals whose testimony is actually necessary to
obtain sufficient evidence to support the above violations.

Sincerely,



HENRY E. PETERSEN
Assistant Attorney General

2164

4B

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : Baltimore County File

DATE: July 12, 1973

Reviewed by B.D. Skolnik
and R.T. Baker, Jr. and
retyped on August 15,
1973.

FROM : Russell T. Baker, Jr.
Assistant United States Attorney

SUBJECT: Meeting with Attorney General Richardson

At 6:00 p.m. on Wednesday, July 11, 1973, George Beall, Barney Skolnik, Ron Liebman and I met with Attorney General Richardson and his Assistant J. T. Smith in the Attorney General's office at the Department of Justice in Washington. At the beginning of the meeting Richardson advised us that there were four questions under consideration in his mind at this time with respect to the investigation of Vice President Agnew: (1) When, if ever, and under what conditions, should Mr. Agnew be confronted with the allegations against him and given an opportunity to respond to questions under oath?, (2) When should Mr. Richardson advise the President of the investigation?, (3) Which potential witnesses in this investigation should be given complete immunity from prosecution?, and (4) whether or not this investigation comes under the jurisdiction of Special Prosecutor Cox.

Mr. Beall and I reported to the Attorney General that we had met with Mr. Matz for some six hours on Monday, July 9, 1973, and had debriefed him. We told Richardson that Matz's allegations appear to correspond closely to the disclosures made to us earlier by his attorneys. Richardson asked about the connection between the payments made by Matz and the business which he received from the State. We advised the Attorney General that Matz had

reported to us that on each occasion the connection between the money and the State work had been discussed between him and Agnew.

The Attorney General at this point indicated that there were at least two lines of defense available to Agnew: (1) that the payments were only political contributions and (2) that Matz's story was a total fabrication and that in fact he had been cheating his partner and using the money generated by the company for his own purposes. He then indicated that a definitive rebuttal to such lines of defense might lie in a net worth demonstration that Agnew had in fact received the money and converted it to his personal benefit. Such a net worth investigation might be necessary at some point but would be difficult to do without generating publicity in the newspapers.

At this point the Attorney General was advised by me in some detail of the allegations and other information provided to us by Jerome B. Wolff on July 10, 1973.

There was then some discussion of the next steps to be taken in this investigation. The Attorney General suggested that we might in an unobtrusive way check the appropriate logs at the White House and the Executive Office Building. He indicated that it might be appropriate to confront the Vice President within the near future in order to give him an opportunity to respond to and possibly refute the allegations against him, and also expressed his hope that, if the allegations were true, the Vice President might admit them and take appropriate steps such as resigning and making a full disclosure of the matter himself. The Attorney General indicated, however, that even if the Vice President were to resign, it would still be necessary for us to proceed with the investigation and possible prosecution of him.

476
675

Mentioning his grave concern about "the consequences for the ability to govern" that will be created by this matter, especially in view of the current Watergate difficulties, the Attorney General stated that, as important as this consideration was, it could not be allowed to "deflect" our investigation. The question was merely one of how to handle the investigation and possible prosecution in a way which would minimize harm to the nation; the Attorney General appears to believe that such harm can be minimized by giving the Vice President an opportunity to resign and to make a full disclosure on his own prior to being indicted.

The Attorney General then stated that any confrontation of the Vice President should not occur at a time or in a manner that would adversely affect in any way any potential prosecution of the Vice President. At this point Barney Skolnik advised the Attorney General of our belief that it is now premature to confront the Vice President. He told the Attorney General that in a normal investigation of a political figure our office would not invite the potential defendant to respond to the allegations until the investigation had neared its completion. In response to questions from the Attorney General, Barney indicated our belief that the appropriate next phase of the investigation would involve contacting other individuals involved in the conspiracy and attempting to obtain from them information in their possession. Barney indicated that this could probably be done without much risk of publicity, because such individuals would have no interest in seeing the matter raised in the media.

The Attorney General then authorized us to proceed with interrogation of other individuals involved in the conspiracy and expressed the hope that this would be done in a manner designed to minimize the risk of publicity. It was

agreed to defer for the present any confrontation with the Vice President.

The question of the appropriate manner in which to confront the Vice President was next raised. Barney suggested that it might be inappropriate to permit the Vice President's attorney to be present during the interrogation for the following reason. Ordinarily, a public figure under investigation by our office would be invited to testify before the grand jury and, of course, were he to accept the invitation his attorney would not be permitted in the grand jury room during questioning in accordance with Rule 6(d) of the Federal Rules of Criminal Procedure. Although it might be inappropriate to take the Vice President before a grand jury because of the substantial risk that this might generate a lot of publicity, a grand jury type of confrontation could be arranged without such risk. On the other hand, to accord unique considerations to the Vice President, such as allowing his attorney to be present during questioning, might give the appearance of unnecessary and therefore unjustifiable favoritism. These questions were not resolved during the meeting, but the Attorney General indicated that appropriate arrangements for the interrogation could be a matter of negotiation between our office and the Vice President's attorney and that he (the Attorney General) was not inclined at this point to second-guess the results of any such negotiations.

The question of immunity was next discussed. The Attorney General indicated that we are in a better position than he is to make initial assessments of the appropriateness of immunity for individual witnesses, since we are more intimately familiar than he is with the people involved and with the

various factors relevant to such judgments. He did indicate concern, however, over the larger issue of how much immunity it was appropriate to hand out in building a case against the Vice President. He therefore, instructed us to submit to him for final decision any immunity decisions we make.

We next discussed the question of when the Attorney General should advise the President of this investigation. He indicated to us that he believed the President had a right to be informed of this matter but that he was reluctant to disclose it at this point. Because of the possibility that the Vice President might later establish to our satisfaction that he was innocent and that the allegations which had been made against him were totally false, the Attorney General was reluctant to worry the President about the matter at this time. Mr. Beall at that point expressed our belief that the President might already know about the investigation, and I expressed our concern that information disclosed by the Attorney General to the White House might be leaked without the President's knowledge to the Vice President, thereby adversely affecting the investigation. Mr. Richardson indicated at that point that he would exercise discretion in the specificity of his disclosures to the White House and the President. He also indicated that his tentative decision was not to advise the President at this time, but that he probably would have to advise him no later than the interrogation of the Vice President.

We next discussed the subject of whether or not this matter fell within the jurisdiction of Special Prosecutor Cox. Mr. Richardson reminded us that at his confirmation hearings, certain Senators had made the point that there might be the appearance of impropriety if he were to conduct the Watergate investigation because he had been appointed by the President. The present

situation is distinguishable because Richardson was not appointed by the Vice-President but nonetheless he could be viewed as an appointee of the Nixon-Agnew administration. He also told us that he was concerned about the problem of appearances that would arise from the fact that he has been mentioned publicly as a possible Republican Presidential candidate in 1976. He told us, however, that he was reluctant, at least at this point, to turn this matter over to Cox because of the partisan caste of the staff that Cox has been putting together. He also told us that he has complete confidence in our ability to handle this matter and regarded us as a "highly capable group of professionals doing the job you have to do." At this point George Beall made a statement to the effect that we hoped that this matter could be investigated within the Department of Justice in order to restore the nation's confidence in the Department and the ability of the Department's attorneys vigorously to enforce the law. Richardson was clearly impressed by Mr. Beall's statement in this regard and advised us at this point that it was his "instinct" that the investigation "should go forward as it is."

Mr. Richardson advised us that he was leaving on Thursday, July 12, 1973, for a ten day vacation and hoped that this matter would not hit the press during his absence. He agreed, however, that we should strike while the iron was hot and pursue our investigation even though he would be out-of-town. He also directed us to keep him informed at appropriate intervals of the progress of the investigation and that in particular he wanted to be informed prior to any final decisions with respect to immunity and the confrontation of the Vice-President.

Finally, we discussed the problem of authorizations for use of immunities in this investigation. I told the Attorney General that this investigation had

not yet been brought to the attention of the grand jury because of our fear that the matter might leak and that we did not have any present intention of using immunity to compel grand jury testimony at this point in the investigation.

Rather, we wanted to be in a position to inform potential witnesses that we could compel their testimony in the event that they appeared reluctant to cooperate voluntarily with the Government. He agreed with this approach. I then raised with him the problem of using normal channels in the Department of Justice to secure these use immunities. He agreed that this created an unacceptable risk of leaks and told us to come directly to him for the necessary authorizations. He instructed his assistant to review the relevant Department regulations to make sure that he could authorize on such matters himself.

The meeting concluded at 8:50 p.m.